HOUSE DOCKET, NO. FILED ON: 9/16/2011

HOUSE . . . . . No. 3711

House bill No. 3702, as amended and passed to be engrossed by the House. September 15, 2011.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act establishing expanded gaming in the commonwealth.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to provide for economic investments and job creation in the commonwealth, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. To provide for certain unanticipated obligations of the commonwealth, to provide for an alteration of purpose for current appropriations, and to meet certain requirements of law, the sums set forth in section 2A are hereby appropriated from the General Fund, unless specifically designated otherwise, for the several purposes and subject to the conditions specified in this section and to laws regulating the disbursement of public funds for the fiscal year ending June 30, 2012; provided, however, that notwithstanding any general or special law to the contrary, appropriations made herein shall not revert and shall be available for expenditure until June 30, 2013. The sums shall be in addition to any amounts previously appropriated and made available for the purposes of these items.

SECTION 2A.

OFFICE OF THE GOVERNOR

12 0411-1004 To provide for certain costs associated with the implementation of expanded
13 gaming in the commonwealth, including, but not limited to, costs related to legal, financial and
14 other professional services required for the negotiation and execution of a compact with a
15 federally recognized Indian tribe in the commonwealth to establish a tribal casino in region
16 C……..……..$5,000,000

17 0810-1204 For the implementation and operation of the division of gaming enforcement
18 within the office of the attorney general, established pursuant to section 11M of chapter 12, for
19 the investigation and prosecution of criminal activity relating to legalized gaming in the
20 commonwealth pursuant to chapter 23K…….…..$500,000

21 SECTION 3. Section 7 of chapter 4 of the General Laws is hereby amended by striking
22 out clause Tenth, as appearing in the 2008 Official Edition, and inserting in place thereof the
23 following clause:-

24 Tenth, "Illegal gaming," a banking or percentage game played with cards, dice, tiles or
25 dominoes, or an electronic, electrical or mechanical device or machine for money, property,
26 checks, credit or any representative of value, but excluding: (i) a lottery game conducted by the
27 state lottery commission, under sections 24, 24A and 27 of chapter 10; (ii) a game conducted
28 under chapter 23K; (iii) pari-mutuel wagering on horse races under chapters 128A and 128C and
29 greyhound races under said chapter 128C; (iv) a game of bingo conducted under chapter 271;
30 and (v) charitable gaming conducted under said chapter 271.

31 SECTION 4. Section 48 of chapter 6 of the General Laws is hereby repealed.

32 SECTION 5. Section 35 of chapter 10 of the General Laws, as appearing in the 2008
33 Official Edition, is amended by inserting after the word “Lottery”, in lines 2 and 16, each time it
34 appears, the following words:- “and Gaming.

35 SECTION 6. Section 39 of said chapter 10, as so appearing, is hereby amended by
36 inserting after the word “Lottery”, in lines 13 and 19, each time it appears, the following words:-
37 and Gaming.

38 SECTION 7. Sections 64 and 65 of said chapter 10 are hereby repealed.

39 SECTION 8. Said chapter 10 is hereby further amended by inserting after section 72 the
40 following section:-

41 Section 72A. The commissioner of the alcoholic beverages control commission shall
42 establish a gaming liquor enforcement unit whose responsibilities shall include enforcing,
43 regulating and controlling the distribution of alcoholic beverages in a gaming establishment.

44 The gaming liquor enforcement unit shall work in conjunction and cooperation with the
45 investigations and enforcement bureau within the Massachusetts gaming commission established
46 in chapter 23K. The commissioner shall assign investigators and employees of the unit to the
47 bureau, who shall report to the director of the bureau and to the commissioner; provided,
48 however, that the Massachusetts gaming commission shall designate the number of investigators
49 and employees necessary to staff the unit; provided further, that the code of ethics established in
50 section 3 of chapter 23K shall apply to all investigators and employees of the unit. No
51 investigator or employee of the unit, other than in the performance of official duties, shall place a
52 wager in a gaming establishment licensed under chapter 23K. The commissioner shall establish
53 a program to rotate investigators in and out of the unit. The alcoholic beverages control

54 commission shall be reimbursed by the Massachusetts gaming commission for the costs of
55 operating the unit; provided, however, that the Massachusetts gaming commission shall have
56 final approval over the budget of the unit.

57 SECTION 9. Chapter 12 of the General Laws is hereby amended by inserting after
58 section 11L the following section:-

59 Section 11M. (a) As used in this section the following words shall, unless the context
60 clearly requires otherwise, have the following meanings:

61 "Commission", the Massachusetts gaming commission established in chapter 23K.

62 "Division", the division of gaming enforcement established in subsection (b).

63 "Gaming establishment", as defined in section 1 of chapter 23K.

64 (b) There shall be in the department of the attorney general a division of gaming
65 enforcement. The attorney general shall designate an assistant attorney general as the director of
66 gaming enforcement. The director may appoint and remove, subject to the approval of the
67 attorney general, such expert, clerical or other assistants as the work of the division may require.

68 (c) The division shall enforce criminal violations of chapter 23K which shall include, but
69 not be limited to: (1) investigating and prosecuting allegations of criminal activity related to or
70 impacting the operation of gaming establishments or games; (2) receiving and taking appropriate
71 action on referrals for criminal prosecution from the commission or any other law enforcement
72 body; (3) providing assistance, upon request, to the commission in the consideration and
73 promulgation of rules and regulations; (4) ensuring that there shall be no duplication of duties

74 and responsibilities between the division and the commission; and (5) recommending persons to
75 be placed on a list of excluded persons to be maintained by the commission.

76 No employee of the division and no person engaged by the division in the course of an
77 investigation, other than in the performance of their official duties, shall place a wager in a
78 gaming establishment licensed under chapter 23K during the period of their employment or
79 assignment with the division. The attorney general shall establish a code of ethics for all
80 division employees which shall be more restrictive than chapters 268A and 268B. A copy of the
81 code of ethics shall be filed with the state ethics commission. The code shall include provisions
82 reasonably necessary to carry out this section including, but not limited to: (i) prohibiting the
83 receipt of gifts by a division employee from a gaming licensee, applicant, close associate,
84 affiliate or other person or entity subject to the jurisdiction of the commission established by
85 chapter 23K; and (ii) prohibiting the participation by a division employee in a particular matter
86 as defined in section 1 of said chapter 268A that affects the financial interest of a relative within
87 the third degree of consanguinity or any other person with whom such employee has a significant
88 relationship as defined in the code.

89 Officers and employees of the gaming enforcement unit in the department state police
90 who are assigned to the division shall record their time and submit their total hours to the
91 director of gaming enforcement. The division shall submit a request for reimbursement to the
92 commission and the commission shall reimburse the department of state police.

93 The division shall submit quarterly requests to the commission for expenses associated
94 with the operation of the division and the commission shall reimburse the division for such

95 expenses; provided, however, that the commission shall not approve such a request if the request
96 would exceed an annual reimbursement of $2,000,000

97 SECTION 10. Chapter 12B of the General Laws is hereby repealed.

98 SECTION 11. Subsection (b) of section 9 of chapter 13 of the General Laws is hereby
99 amended by striking out the words “, as well as the state racing commission established by
100 section 48 of chapter 6,” inserted by section 29 of chapter 4 of the acts of 2009.

101 SECTION 12. Subsection (e) of section 9B of said chapter 13 is hereby amended by
102 striking out the words “, as well as the state racing commission established by section 48 of
103 chapter 6,” , inserted by section 30 of said chapter 4.

104 SECTION 13. Said subsection (e) of said section 9B of said chapter 13 is hereby further
105 amended by striking out the words “or regulated by the state racing commission, as established
106 by section 48 of chapter 6” , inserted by section 31 of said chapter 4.

107 SECTION 14. Section 38 of chapter 22C of the General Laws is hereby amended by
108 inserting after the word “involving”, in lines 36 and 37, as appearing in the 2008 Official
109 Edition, the following word:- illegal.

110 SECTION 15. Said chapter 22C is hereby further amended by adding the following
111 section:-

112 Section 70. The colonel of state police shall establish a gaming enforcement unit the
113 responsibilities of which shall include, but not be limited to, the investigation of criminal
114 violations of chapter 23K or any other general or special law pertaining to gaming.

115 The gaming enforcement unit shall work in conjunction and cooperation with the
116 investigations and enforcement bureau within the Massachusetts gaming commission to enforce
117 chapter 23K and with the division of gaming enforcement within the office of the attorney
118 general to investigate criminal activity related to gaming. Officers and employees of the unit
119 shall be assigned to the investigations and enforcement bureau and shall report to the deputy
120 director of investigations and enforcement and to the colonel of state police. The colonel shall
121 also assign officers of the unit to the division of gaming enforcement, who shall report to the
122 chief of gaming enforcement and to the colonel of state police. No officer of the unit, other than
123 in the performance of official duties, shall place a wager in a gaming establishment licensed
124 under chapter 23K; provided further, that the code of ethics established in section 3 of chapter
125 23K shall apply to all officers and employees of the unit.. The colonel shall establish a program
126 to rotate officers in and out of the unit.

127 SECTION 16. The General Laws are hereby amended by inserting after chapter 23J the
128 following chapter:-

129 CHAPTER 23K.

130 THE MASSACHUSETTS GAMING COMMISSION

131 Section 1. The General Court finds and declares that:

132 (1) ensuring public confidence in the integrity of the gaming licensing process and in the
133 strict oversight of all gaming establishments through a rigorous regulatory scheme is the
134 paramount policy objective of this chapter;

135 (2) establishing the financial stability and integrity of gaming licensees, as well as the
136 integrity of their sources of financing, is an integral and essential element of the regulation and
137 control of gaming under this chapter;

138 (3) gaming licensees shall be held to the highest standards of licensing and shall have a
139 continuing duty to maintain their integrity and financial stability;

140 (4) enhancing and supporting the performance of the state lottery and continuing the
141 commonwealth's dedication to local aid is imperative to the policy objectives of this chapter;

142 (5) the commonwealth must provide for new employment opportunities in all sectors of
143 the economy, particularly opportunities for the unemployed, and shall preserve jobs in existing
144 industries in the commonwealth; this chapter sets forth a robust licensing process where
145 applicants for a gaming license shall submit a comprehensive plan for operating a gaming
146 establishment which includes how they will foster and encourage new construction through
147 capital investment and provide permanent employment opportunities to residents of the
148 commonwealth;

149 (6) promoting local small businesses and the tourism industry, including the development
150 of new and existing small business and tourism amenities such as lodging, dining, retail and
151 cultural and social facilities, is fundamental to the policy objectives of this chapter;

152 (7) recognizing the importance of the commonwealth's unique cultural and social
153 resources and integrating them into new development opportunities shall be a key component of
154 a decision to the award of any gaming license under this chapter;

155 (8) applicants for gaming licenses and gaming licensees shall demonstrate their
156 commitment to efforts to combat compulsive gambling and a dedication to community
157 mitigation, and shall recognize that the privilege of licensure bears a responsibility to identify,
158 address and minimize any potential negative consequences of their business operations;

159 (9) any license awarded by the commission shall be a revocable privilege and may be
160 conditioned, suspended or revoked upon: (i) a breach of the conditions of licensure, including
161 failure to complete any phase of construction of the gaming establishment or any promises made
162 to the commonwealth in return for receiving a gaming license; (ii) any civil or criminal
163 violations of the laws of the commonwealth or other jurisdictions; or (iii) a finding by the
164 commission that a gaming licensee is unsuitable to operate a gaming establishment or perform
165 the duties of their licensed position; and

166 (10) the power and authority granted to the commission shall be construed as broadly as
167 necessary for the implementation, administration and enforcement of this chapter.

168 Section 2. As used in this chapter the following words shall, unless the context clearly
169 requires otherwise, have the following meanings:-

170 "Affiliate", a person who directly or indirectly controls, or is controlled by, or is under
171 common control with, a specified person.

172 "Applicant", a person who has applied for a license to engage in activity regulated under
173 this chapter.

174 "Application", a written request for a finding of suitability to receive a license or engage
175 in an activity which is regulated under this chapter.

176 “Bureau”, the investigations and enforcement bureau under the commission.

177 “Business”, a corporation, sole proprietorship, partnership, limited liability company or
178 any other organization formed for the purpose of carrying on a commercial enterprise.

179 “Category 1 license”, a license issued by the commission that permits the licensee to
180 operate a gaming establishment with table games and slot machines.

181 “Category 2 license”, a license issued by the commission that permits the licensee to
182 operate a gaming establishment with no table games and not more than 1,250 slot machines.

183 “Capital expenditure”, money spent by a gaming licensee to upgrade or maintain
184 depreciable and tangible long-term physical assets that are capitalized on the gaming licensee’s
185 books under generally accepted accounting principles and excluding expenditures or charges for
186 the usual and customary maintenance and repair of any fixed asset.

187 “Cashless wagering system”, a method of wagering and accounting in which the validity
188 and value of a wagering account, promotional account, wagering instrument or wagering credits,
189 not including slot machine printed vouchers, are determined, monitored and retained for an
190 individual by an electronic system operated and maintained by a gaming licensee which
191 maintains a record of each transaction involving the wagering account, promotional account,
192 wagering instrument or wagering credits, exclusive of the game or gaming device on which
193 wagers are being made, including electronic systems which facilitate electronic transfers of
194 money directly to or from a game or gaming device.

195 “Chair”, the chair of the commission.

196 “Cheat”, to alter the selection of criteria which determines the results of a game or the
197 amount or frequency of payment in a game.

198 “Cheating and swindling device” or “cheating and swindling game”, (i) a coin, token or
199 slug other than a lawful coin or legal tender of the United States or a coin not of the same
200 denomination as the coin intended to be used by the gaming establishment while playing or using
201 a slot machine in a gaming establishment, except that a “cheating and swindling device” shall not
202 include a token or similar object which is approved by the commission; (ii) a bogus or
203 counterfeit chip, coin or die; a marked card; a computerized, electronic, electrical, mechanical or
204 magnetic device; tool, drill, wire, key or other device designed, constructed or programmed
205 specifically for: (A) use in obtaining an advantage in a game; (B) opening, entering or affecting
206 the operation of a gaming device; or (C) removing from a slot machine, other gaming device or
207 drop box any money or other contents; (iii) a tool, drill, wire, coin or token attached to a string or
208 wire, or an electronic or magnetic device to facilitate the alignment of a winning combination; or
209 (iv) a gaming device that has been manufactured, serviced, marked, plugged or tampered with, or
210 placed in a condition or operated in a manner to: (1) deceive, or attempt to deceive, the public; or
211 (2) alter, or attempt to alter, the normal random selection of characteristics, the normal chance of
212 the game or the result of the game at a gaming establishment.

213 “Close associate”, a person who holds a relevant financial interest in, or is entitled to
214 exercise power in, the business of an applicant or licensee and, by virtue of that interest or
215 power, is able to exercise a significant influence over the management or operation of a gaming
216 establishment or business licensed under this chapter.

217 “Commission”, the Massachusetts gaming commission established in section 3.

218 “Commissioner”, a member of the commission.

219 "Complimentary service or item", a service or item provided at no cost or at a reduced
220 cost to a patron of a gaming establishment.

221 “Conservator”, a person appointed by the commission to temporarily manage the
222 operation of a gaming establishment.

223 “Credit card”, a card, code or other device with which a person may defer payment of
224 debt, incur debt and defer its payment, or purchase property or services and defer payment
225 therefor, but not a card, code or other device used to activate a preexisting agreement between a
226 person and a financial institution to extend credit when the person’s account at the financial
227 institution is overdrawn or to maintain a specified minimum balance in the person’s account at
228 the financial institution.

229 “Credit instrument”, a writing which evidences a gaming debt owed to a person who
230 holds a gaming license at the time the debt is created, including any writing taken in
231 consolidation, redemption or payment of a previous credit instrument.

232 “Division”, the division of gaming enforcement in the office of the attorney general.

233 “Executive director”, the executive director of the Massachusetts gaming commission.

234 “Gambling”, the playing of a game by a patron of a gaming establishment.

235 “Game”, a banking or percentage game played with cards, dice, tiles, dominoes or an
236 electronic, electrical or mechanical device or machine played for money, property, checks, credit
237 or any other representative of value which has been approved by the commission.

238 “Gaming”, dealing, operating, carrying on, conducting, maintaining or exposing any
239 game for pay.

240 “Gaming area”, the portion of the premises of a gaming establishment in which or on
241 which gaming is conducted.

242 “Gaming device” or “gaming equipment”, an electronic, electrical or mechanical
243 contrivance or machine used in connection with gaming or a game.

244 “Gaming employee”, an employee of a gaming establishment who: (i) is directly
245 connected to the operation or maintenance of a slot machine or game taking place in a gaming
246 establishment; (ii) provides security in a gaming establishment; (iii) has access to a restricted
247 area of a gaming establishment; (iv) is connected with the operation of a gaming establishment;
248 or (v) is so designated by the commission.

249 “Gaming establishment”, the premises approved under a gaming license which includes a
250 gaming area and any other nongaming structure related to the gaming area and may include, but
251 shall not be limited to, hotels, restaurants or other amenities.

252 “Gaming license”, a license issued by the commission that permits the licensee to operate
253 a gaming establishment.

254 “Gaming licensee”, a person or entity who holds a gaming license under this chapter.

255 “Gaming position”, a designated seat or standing position where a patron of a gaming
256 establishment can play a game.

257 “Gaming service employee”, an employee of a gaming establishment who is not
258 classified as a gaming employee or a key gaming employee, but is required to register with the
259 commission.

260 “Gaming vendor”, a person who offers goods or services to a gaming applicant or
261 gaming licensee on a regular or continuing basis which directly relates to gaming, including, but
262 not limited to, gaming equipment and simulcast wagering equipment manufacturers, suppliers,
263 repairers and independent testing laboratories.

264 “Gaming vendor license”, a license issued by the commission that permits the licensee to
265 act as a vendor to a gaming establishment.

266 “Gross revenue” or “gross gaming revenue”, the total of all sums actually received by a
267 gaming licensee from gaming operations less the total of all sums paid out as winnings to
268 patrons; provided, however, that the total of all sums paid out as winning to patrons shall not
269 include the cash equivalent value of any merchandise or thing of value included in a jackpot or
270 payout; and provided further, that “Gross revenue” shall not include any amount received by a
271 gaming licensee from simulcast wagering. Provided further, the issuance to casino patrons or
272 wagering by casino patrons of any promotional gaming credit shall not be considered as gross
273 revenue or gross gaming revenue..

274 “Holding company”, a corporation, association, firm, partnership, trust or other form of
275 business organization, other than a natural person, which, directly or indirectly, owns, has the
276 power or right to control, or has the power to vote any significant part of the outstanding voting
277 securities of a corporation or other form of business organization which holds or applies for a
278 gaming license; provided, however, that “holding company”, in addition to any other reasonable

279 use of the term, shall indirectly have, hold or own any such power, right or security if it does so
280 through an interest in a subsidiary or any successive subsidiaries, notwithstanding how many
281 such subsidiaries may intervene between the holding company and the gaming licensee or
282 applicant.

283 "Host community", a municipality in which a gaming establishment is located or in
284 which an applicant has proposed locating a gaming establishment.

285 "Impacted live entertainment venue", a not-for-profit or municipally-owned performance
286 venue designed in whole or in part for the presentation of live concerts, comedy or theatrical
287 performances, which the commission determines experiences, or is likely to experience, a
288 negative impact from the development or operation of a gaming establishment.

289 "Institutional investor", any of the following entities having a 5 per cent or greater
290 ownership interest in a gaming establishment or gaming licensee: a corporation, bank, insurance
291 company, pension fund or pension fund trust, retirement fund, including funds administered by a
292 public agency, employees' profit-sharing fund or employees' profit-sharing trust, an association
293 engaged, as a substantial part of its business or operation, in purchasing or holding securities, or
294 any trust in respect of which a bank is a trustee or co-trustee, investment company registered
295 under the federal Investment Company Act of 1940, collective investment trust organized by
296 banks under part 9 of the Rules of the Comptroller of Currency, closed end investment trust,
297 chartered or licensed life insurance company or property and casualty insurance company,
298 investment advisor registered under the federal Investment Advisers Act of 1940, and such other
299 persons as the commission may reasonably determine to qualify as an institutional investor for
300 reasons consistent with this chapter.

301 “Intermediary company”, a corporation, association, firm, partnership, trust or other form
302 of business organization other than a natural person which is a holding company with respect to a
303 corporation or other form of business organization which holds or applies for a gaming license,
304 and is a subsidiary with respect to a holding company.

305 “Junket”, an arrangement intended to induce a person to come to a gaming establishment
306 to gamble, where the person is selected or approved for participation on the basis of the person’s
307 ability to satisfy a financial qualification obligation related to the person’s ability or willingness
308 to gamble or on any other basis related to the person’s propensity to gamble, and pursuant to
309 which, and as consideration for which, any of the cost of transportation, food, lodging, and
310 entertainment for the person is directly or indirectly paid by a gaming licensee or an affiliate of
311 the gaming licensee.

312 “Junket enterprise”, a person, other than an applicant for a gaming license or gaming
313 licensee, who employs or otherwise engages the services of a junket representative in connection
314 with a junket to a licensed gaming establishment, regardless of whether or not those activities
315 occur within the commonwealth.

316 “Junket representative”, a person who negotiates the terms of, or engages in the referral,
317 procurement or selection of persons who may participate in, a junket to a gaming establishment,
318 regardless of whether or not those activities occur within the commonwealth.

319 “Key gaming employee”, an employee of a gaming establishment who is: (i) in a
320 supervisory capacity; (ii) empowered to make discretionary decisions which regulate gaming
321 establishment operations; or (iii) so designated by the commission.

322 “License”, a license required under this chapter.

323 “List of excluded persons”, the list of excluded persons maintained by the commission
324 under section 45.

325 “Lottery”, the Massachusetts state lottery established in section 24 of chapter 10.

326 “Major policy making position”, the executive or administrative head or heads of the
327 commission and any person whose salary equals or exceeds that of a state employee classified in
328 step 1 of job group XXV of the general salary schedule contained in section 46 of chapter 30 and
329 who reports directly to the commission or the administrative head of any bureau or other major
330 administrative unit within the commission and persons exercising similar authority.

331 “Non-gaming vendor”, a supplier or vendor including, but not limited to, a construction
332 company, vending machine provider, linen supplier, garbage handler, maintenance company,
333 limousine services company, food purveyor or supplier of alcoholic beverages, which provides
334 goods or services to a gaming establishment or gaming licensee, but which is not directly related
335 to games.

336 “Operation certificate”, a certificate of compliance issued by the commission to the
337 operator of a gaming establishment.

338 “Person”, an individual, corporation, association, operation, firm, partnership, trust or
339 other form of business association.

340 “Promotional gaming credit”, a slot machine or table game credit or other item issued by
341 a gaming licensee to a patron to enable the placement of a wager at a slot machine or table game.

342 “Qualification” or “qualified”, the process of licensure set forth by the commission to
343 determine that all persons who have a professional interest in a gaming license, or gaming

344 vendor license, or the business of a gaming licensee or gaming vendor, meet the same standards
345 of suitability to operate or conduct business with a gaming establishment in the commonwealth.

346 "Slot machine", a mechanical, electrical or other device, contrivance or machine which,
347 upon insertion of a coin, token or similar object therein, or upon payment of any consideration
348 whatsoever, is available to play or operate, the play or operation of which, whether by reason of
349 the skill of the operator or application of the element of chance, or both, may deliver or entitle
350 the individual playing or operating the machine to receive cash, or tokens to be exchanged for
351 cash, or to receive merchandise or anything of value, whether the payoff is made automatically
352 from the machine or in any other manner, except that the cash equivalent value of any
353 merchandise or other thing of value shall not be included in determining the payout percentage
354 of a slot machine.

355 "State police", the department of state police established in chapter 22C.

356 "Subsidiary", a corporation, a significant part of whose outstanding equity securities are
357 owned, subject to a power or right of control, or held with power to vote, by a holding company
358 or an intermediary company, or a significant interest in a firm, association, partnership, trust or
359 other form of business organization, other than a natural person, which is owned, subject to a
360 power or right of control, or held with power to vote, by a holding company or an intermediary
361 company.

362 "Surrounding communities", municipalities in proximity to a host community which the
363 commission determines experience or are likely to experience impacts from the development or
364 operation of a gaming establishment, including municipalities from which the transportation
365 infrastructure provides ready access to an existing or proposed gaming establishment.

366 “Table game”, a game, other than a slot machine, which is authorized by the commission
367 to be played in a gaming establishment.

368 “Transfer”, the sale or other method, either directly or indirectly, of disposing of or
369 parting with property or with an interest therein, or with the possession thereof, or of fixing a lien
370 upon property or upon an interest therein, absolutely or conditionally, voluntarily or
371 involuntarily, by or without judicial proceedings, as a conveyance, sale, payment, pledge,
372 mortgage, lien, encumbrance, gift, security or otherwise; provided, however, that the retention of
373 a security interest in property delivered to a corporation shall be deemed a transfer suffered by
374 such corporation.

375 “Wager”, a sum of money or representative of value that is risked on an occurrence for
376 which the outcome is uncertain.

377 Section 3. (a) There shall be a Massachusetts gaming commission which shall consist of
378 5 commissioners, 1 of whom shall be appointed by the governor; 1 of whom shall be appointed
379 by the attorney general who shall have experience in criminal investigations and law
380 enforcement; 1 of whom shall be appointed by the treasurer and receiver general who shall have
381 experience in corporate finance and securities; and 2 of whom shall be appointed by the approval
382 of 2 of the 3 appointing authorities, 1 of whom shall have experience in legal and policy issues
383 related to gaming and 1 of whom may have professional experience in gaming regulatory
384 administration or gaming industry management. The governor shall designate the chair of the
385 commission. The chair shall serve in that capacity throughout the term of appointment and until
386 a successor shall be appointed. Prior to appointment to the commission, a background
387 investigation shall be conducted into the financial stability, integrity and responsibility of a

388 candidate, including the candidate's reputation for good character, honesty and integrity. No
389 person who has been convicted of a felony shall be eligible to serve on the commission.

390 (b) Each commissioner shall be a resident of the commonwealth within 90 days of
391 appointment and, while serving on the commission, shall not: (i) hold, or be a candidate for,
392 federal, state or local elected office; (ii) hold an appointed office in a federal, state, or local
393 government; or (iii) serve as an official in a political party. Not more than 3 commissioners shall
394 be from the same political party.

395 (c) Each commissioner shall serve for a term of 5 years or until a successor is appointed
396 and shall be eligible for reappointment; provided, however, that no commissioner shall serve
397 more than 10 years. A person appointed to fill a vacancy in the office of a commissioner shall be
398 appointed in a like manner and shall serve for only the unexpired term of such commissioner.
399 The governor may remove a commissioner if the commissioner: (i) is guilty of malfeasance in
400 office; (ii) substantially neglects the duties of a commissioner; (iii) is unable to discharge the
401 powers and duties of the commissioner's office; (iv) commits gross misconduct; or (v) is
402 convicted of a felony.

403 (d) Three commissioners shall constitute a quorum and the affirmative vote of 3
404 commissioners shall be required for an action of the commission. The chair or 3 members of the
405 commission may call a meeting; provided, however, that notice of all meetings shall be given to
406 each commissioner and to other persons who request such notice. The commission shall adopt
407 regulations establishing procedures, which may include electronic communications, by which a
408 request to receive notice shall be made and the method by which timely notice may be given.

409 (e) Commissioners shall receive salaries not greater than three-quarters of the salary of
410 the commissioner of administration under section 4 of chapter 7; provided, however, that the
411 chair shall receive a salary equal to the salary of the commissioner of administration.
412 Commissioners shall devote their full time and attention to the duties of their office.

413 (f) The commission shall annually elect 1 of its members to serve as secretary and 1 of its
414 members to serve as treasurer. The secretary shall keep a record of the proceedings of the
415 commission and shall be the custodian and keeper of the records of all books, documents and
416 papers filed by the commission and of its minute book. The secretary shall cause copies to be
417 made of all minutes and other records and documents of the commission and shall certify that
418 such copies are true copies, and all persons dealing with the commission may rely upon such
419 certification.

420 (g) The chair shall have and exercise supervision and control over all the affairs of the
421 commission. The chair shall preside at all hearings at which the chair is present and shall
422 designate a commissioner to act as chair in the chair's absence. To promote efficiency in
423 administration, the chair shall, from time to time, make such division or re-division of the work
424 of the commission among the commissioners as the chair deems expedient.

425 (h) All of the commissioners shall, if so directed by the chair, participate in the hearing
426 and decision of any matter before the commission; provided, however, that at least 2
427 commissioners shall participate in the hearing and decision of matters other than those of formal
428 or administrative character coming before the commission; provided further, that any such matter
429 may be heard, examined and investigated by an employee of the commission designated and
430 assigned by the chair, with the concurrence of 1 other commissioner. Such employee shall make

431 a report in writing relative to the hearing, examining and investigating of every such matter to
432 the commission for its decision. For the purposes of hearing, examining and investigating any
433 such matter, such employee shall have all of the powers conferred upon a commissioner by this
434 section. For each hearing, the concurrence of a majority of the commissioners participating in the
435 decision shall be necessary.

436 (i) The commission shall appoint an executive director. The executive director shall serve
437 at the pleasure of the commission, shall receive such salary as may be determined by the
438 commission, and shall devote full time and attention to the duties of the office. The executive
439 director shall be a person with skill and experience in management and shall be the executive and
440 administrative head of the commission and shall be responsible for administering and enforcing
441 the provisions of law relative to the commission and to each administrative unit thereof. The
442 executive director shall appoint and employ a chief financial and accounting officer and may,
443 subject to the approval of the commission, employ other employees, consultants, agents, and
444 advisors, including legal counsel, and shall attend meetings of the commission. The chief
445 financial and accounting officer of the commission shall be in charge of its funds, books of
446 account and accounting records. No funds shall be transferred by the commission without the
447 approval of the commission and the signatures of the chief financial and accounting officer and
448 the treasurer. In the case of an absence or vacancy in the office of the executive director, or in the
449 case of disability as determined by the commission, the commission may designate an acting
450 executive director to serve as executive director until the vacancy is filled or the absence or
451 disability ceases. The acting executive director shall have all the powers and duties of the
452 executive director and shall have similar qualifications as the executive director. ¬¬

453 (j) The executive director may, from time to time and subject to the approval of the
454 commission, establish within the commission such administrative units as may be necessary for
455 the efficient and economical administration of the commission and, when necessary for such
456 purpose, may abolish any such administrative unit or may merge any 2 or more units. The
457 executive director shall prepare and keep current a plan of organization of the commission, of the
458 assignment of its functions to its various administrative units, offices and employees and of the
459 places at which and the methods by which the public may receive information or make requests.
460 A current copy of the plan of organization shall be kept on file with the state secretary and in the
461 office of the secretary of administration and finance.

462 (k) The executive director may appoint such persons as the executive director shall
463 consider necessary to perform the functions of the commission; provided, however, that chapter
464 31 and section 9A of chapter 30 shall not apply to commission employees. If an employee
465 serving in a position which is classified under said chapter 31 or in which an employee has
466 tenure by reason of said section 9A of said chapter 30 shall be appointed to a position within the
467 commission which is not subject to said chapter 31, the employee shall, upon termination of
468 service in such position, be restored to the position which the employee held immediately prior
469 to such appointment; provided, however, that the employee's service in such position shall be
470 determined by the civil service commission in accordance with the standards applied by the
471 commission in administering said chapter 31. Such restoration shall be made without impairment
472 of the employee's civil service status or tenure under said section 9A of said chapter 30 and
473 without loss of seniority, retirement or other rights to which uninterrupted service in such prior
474 position would have entitled such employee. During the period of such appointment, each person

475 so appointed from a position in the classified civil service shall be eligible to take any
476 competitive promotional examination for which such person would otherwise have been eligible.

477 (l) The commission may require a prospective employee to: (i) submit an application and
478 a personal disclosure on a form prescribed by the commission which shall include a complete
479 criminal history, including convictions and current charges for all felonies and misdemeanors;
480 (ii) undergo testing which detects the presence of illegal substances in the body; or (iii) provide
481 fingerprints and a photograph consistent with standards adopted by the state police. The
482 commission shall verify the identification, employment and education of each prospective
483 employee, including: (i) legal name, including any alias; (ii) all secondary and post secondary
484 educational institutions attended regardless of graduation status; (iii) place of residence; (iv)
485 permanent residency; and (v) employment history.

486 The commission shall not hire a prospective employee if the prospective employee has:
487 (i) been convicted of a felony or a misdemeanor that, in the discretion of the commission, bears a
488 close relationship to the duties and responsibilities of the position for which employment is
489 sought; (ii) been dismissed from prior employment for gross misconduct or incompetence; or
490 (iii) intentionally made a false statement concerning a material fact in connection with the
491 prospective employee's application to the commission. If an employee of the commission is
492 charged with a felony or misdemeanor while employed by the commission, the commission shall
493 suspend the employee, with or without pay, and terminate employment with the commission
494 upon conviction.

495 (m) Chapters 268A and 268B shall apply to the commissioners and to employees of the
496 commission; provided, however, that the commission shall establish a code of ethics for all

497 members and employees that shall be more restrictive than said chapters 268A and 268B. A
498 copy of the code shall be filed with the state ethics commission. The code shall include
499 provisions reasonably necessary to carry out the purposes of this chapter and any other laws
500 subject to the jurisdiction of the commission including, but not limited to: (i) prohibiting the
501 receipt of gifts by commissioners and employees from any gaming licensee, applicant, close
502 associate, affiliate or other person or entity subject to the jurisdiction of the commission; (ii)
503 prohibiting the participation by commissioners and employees in a particular matter as defined in
504 section 1 of said chapter 268A that affects the financial interest of a relative within the third
505 degree of consanguinity or a person with whom such commissioner or employee has a significant
506 relationship as defined in the code; and (iii) providing for recusal of a commissioner in a
507 licensing decision due to a potential conflict of interest.

508 (n) Immediately upon assuming office, each commissioner and employee of the
509 commission, except for secretarial and clerical personnel, shall swear or affirm that the
510 commissioner or employee possesses no interest in a person licensed under this chapter. No
511 individual shall be employed by the commission if, during the period commencing 3 years prior
512 to employment, that individual held any direct or indirect interest in, or was employed by, a
513 licensee under this chapter.

514 (o) No employee of the commission shall pursue any other business or occupation or
515 other gainful employment outside of the commission without the prior written approval of the
516 commission that such employment shall not interfere or be in conflict with the employee's duties
517 to the commission.

518 (p) No commissioner shall hold a direct or indirect interest in, or be employed by, an
519 applicant or by a person licensed by the commission for a period of 3 years after the termination
520 of employment with the commission.

521 (q) No employee of the commission holding a major policy making position shall acquire
522 an interest in, or accept employment with, an applicant or licensee for a period of 2 years after
523 the termination of employment with the commission.

524 (r) No employee of the commission in a non-major policy making position shall acquire
525 an interest in, or accept employment with, an applicant or licensee under this chapter for a period
526 of 1 year after termination of employment with the commission.

527 (s) Any commission employee assigned to a gaming establishment shall be considered an
528 essential state employee.

529 (t) No commissioner or employee, other than in the performance of the commissioner's
530 or employee's official duties, shall place a wager in a gaming establishment.

531 (u) The commissioners and those employees holding major policy-making positions shall
532 be sworn to the faithful performance of their official duties. The commissioners and those
533 employees holding major policy-making positions shall conduct themselves in a manner so as to
534 render decisions that are fair and impartial and in the public interest; avoid impropriety and the
535 appearance of impropriety in all matters under their jurisdiction; avoid all prohibited
536 communications; require staff and personnel subject to their direction and control to observe the
537 same standards of fidelity and diligence; disqualify themselves from proceedings in which their
538 impartiality might reasonably be questioned; and refrain from financial or business dealings
539 which would tend to reflect adversely on impartiality.

540 (v) The commissioners and employees shall not own, or be in the employ of, or own any
541 stock in, a business which holds a license under this chapter, nor shall they have, directly or
542 indirectly, a pecuniary interest in, or be connected with, any such business or in the employ or
543 connected with any person financing any such business; provided further, that immediate family
544 members of commissioners and employees holding major policy making positions shall not own,
545 or be in the employ of, or own stock in, any business which holds a license under this chapter.
546 The commissioners and employees shall not personally, or through a partner or agent, render
547 professional services or make or perform any business contract with or for any regulated entity,
548 except contracts made with the commissioners for the furnishing of services, nor shall the
549 commissioners or employees directly or indirectly receive any commission, bonus, discount, gift
550 or reward from a regulated entity.

551 (w) Neither the commission nor any of its officers, agents, employees, consultants or
552 advisors shall be subject to sections 9A, 45, 46 and 52 of chapter 30, chapter 31, or to chapter
553 200 of the acts of 1976.

554 (x) The Massachusetts gaming commission shall be a commission for the purposes of
555 section 3 of chapter 12.

556 Section 4. The commission shall have all powers necessary or convenient to carry out and
557 effectuate its purposes including, but not limited to, the power to:

558 (1) appoint officers and hire employees;

559 (2) establish, and from time to time amend, a plan of organization that it considers
560 expedient;

561 (3) execute all instruments necessary or convenient for accomplishing the purposes of
562 this chapter;

563 (4) enter into agreements or other transactions with a person, including, but not limited
564 to, a public entity or other governmental instrumentality or authority in connection with its
565 powers and duties under this chapter;

566 (5) appear on its own behalf before boards, commissions, departments or other agencies
567 of municipal, state or federal government;

568 (6) apply for and accept subventions, grants, loans, advances and contributions of money,
569 property, labor or other things of value from any source, to be held, used and applied for its
570 purposes;

571 (7) provide and pay for advisory services and technical assistance as may be necessary in
572 its judgment to carry out this chapter and fix the compensation of persons providing such
573 services or assistance;

574 (8) prepare, publish and distribute, with or without charge as the commission may
575 determine, such studies, reports and bulletins and other material as the commission considers
576 appropriate;

577 (9) assure that licenses shall not be issued to, or held by, and that there shall be no
578 material involvement directly or indirectly with, a gaming operation or the ownership thereof, by
579 unqualified, disqualified or unsuitable persons or by persons whose operations are conducted in a
580 manner not conforming with this chapter;

581 (10) require an applicant for a position which requires a license under this chapter to
582 apply for such license and approve or disapprove any such application or other transactions,
583 events and processes as provided in this chapter;

584 (11) require a person who has a business association of any kind with a gaming licensee
585 or applicant to be qualified for licensure under this chapter;

586 (12) develop criteria, in addition to those outlined in this chapter, to assess which
587 applications for gaming licenses will provide the highest and best value to the commonwealth
588 and the region in which a gaming establishment is to be located;

589 (13) determine which applicants shall be awarded gaming licenses, gaming vendor
590 licenses and other licenses in accordance with this chapter;

591 (14) determine a suitable debt-to-equity ratio for applicants for a gaming license;

592 (15) deny an application or limit, condition, restrict, revoke or suspend a license,
593 registration, finding of suitability or approval, or fine a person licensed, registered, found
594 suitable or approved for any cause the commission deems reasonable;

595 (16) monitor the conduct of licensees and other persons having a material involvement,
596 directly or indirectly, with a licensee for the purpose of ensuring that licenses are not issued to or
597 held by and that there is no direct or indirect material involvement with a licensee, by an
598 unqualified or unsuitable person or by a person whose operations are conducted in an unsuitable
599 manner or in unsuitable or prohibited places as provided in this chapter;

600 (17) gather facts and information applicable to the commission's obligation to issue,
601 suspend or revoke licenses, work permits or registrations granted for: (i) a violation of this

602 chapter or any regulation adopted by the commission; (ii) willfully violating an order of the
603 commission directed to such person; (iii) the conviction of a criminal offense; or (iv) the
604 violation of any other offense which would disqualify such person from holding a license, work
605 permit or registration;

606 (18) conduct investigations into the qualifications of all applicants for employment by the
607 commission and by any regulated entity and all applicants for licensure;

608 (19) request and receive from the state police, the criminal history systems board or other
609 criminal justice agencies, including, but not limited to, the Federal Bureau of Investigation and
610 the Internal Revenue Service, such criminal offender record information relating to criminal and
611 background investigations as necessary for the purpose of evaluating employees of, and
612 applicants for employment by, the commission and any regulated entity, and evaluating licensees
613 and applicants for licensure under this chapter;

614 (20) be present, through its inspectors and agents, at all times, in gaming establishments
615 for the purposes of: (i) certifying revenue; (ii) receiving complaints from the public relating to
616 the conduct of gaming and wagering operations; (iii) examining records of revenues and
617 procedures and inspecting and auditing all books, documents and records of licensees; (iv)
618 conducting periodic reviews of operations and facilities for the purpose of regulations adopted
619 thereunder; and (v) exercising its oversight responsibilities with respect to gaming;

620 (21) inspect and have access to all equipment and supplies in a gaming establishment or
621 on premises where gaming equipment is manufactured, sold or distributed;

622 (22) seize and remove from the premises of a gaming licensee and impound any
623 equipment, supplies, documents and records for the purpose of examination and inspection;

624 (23) demand access to and inspect, examine, photocopy and audit all papers, books and
625 records of any affiliate of a gaming licensee or gaming vendor whom the commission suspects is
626 involved in the financing, operation or management of the gaming licensee or gaming vendor;
627 provided, however, that the inspection, examination, photocopying and audit may take place on
628 the affiliate's premises or elsewhere as practicable, and in the presence of the affiliate or its
629 agent;

630 (24) require that the books and financial or other records or statements of a gaming
631 licensee or gaming vendor be kept in a manner that the commission considers proper;

632 (25) levy and collect assessments, fees and fines and impose penalties and sanctions for
633 the violation of this chapter and the regulations promulgated by the commission;

634 (26) collect taxes and fees under this chapter;

635 (27) restrict, suspend or revoke licenses issued under this chapter;

636 (28) conduct adjudicatory proceedings and promulgate regulations in accordance with
637 chapter 30A;

638 (29) hear appeals of the bureau's suspension or revocation of a license;

639 (30) refer cases for criminal prosecution to the appropriate federal, state or local
640 authorities;

641 (31) issue subpoenas and compel the attendance of witnesses at any place within the
642 commonwealth, administer oaths and require testimony under oath before the commission in the
643 course of an investigation or hearing conducted under this chapter;

644 (32) ensure that there is no duplication of duties and responsibilities between the
645 commission and bureau; provided, however, that the commission shall not place any restriction
646 upon the bureau's ability to investigate or prosecute violations of this chapter or the regulations
647 adopted by the commission;

648 (33) determine which municipalities are the surrounding communities of a proposed
649 gaming establishment; provided, however, that in making such determination, the commission
650 shall consider factors including, but not limited to, population, infrastructure, distance from the
651 gaming establishment and political boundaries;

652 (34) establish parameters for elections under clause (13) of section 15;

653 (35) maintain an official internet website for the commission;

654 (36) monitor any federal activity regarding internet gaming and coordinate with the office
655 of treasurer and receiver general on implementing any measures necessary to protect the
656 commonwealth's lottery and gaming interests;

657 (37) adopt, amend or repeal regulations for the administration and enforcement of this
658 chapter;

659 (38) act as trustees for any gaming-related trust funds;

660 (39) designate impacted live entertainment venues; provided, however, that, in making
661 such designations, the commission shall consider factors including, but not limited to, the
662 venue's distance from the gaming establishment, venue capacity and the type of performances
663 offered by that venue;

664 (40) provide assistance to the governor in negotiating a compact with a federally-
665 recognized Indian tribe in the commonwealth; and

666 (41) regulate and enforce the provisions of section 7A of chapter 271 relating to bazaars;
667 provided, however, that nothing in this section shall limit the attorney general's authority over
668 public charities pursuant to the general laws.

669 Section 5. (a) The commission shall promulgate regulations for the implementation,
670 administration and enforcement of this chapter including, without limitation, regulations that:

671 (1) prescribe the method and form of application which any applicant for licensure shall
672 follow and complete before consideration by the commission;

673 (2) prescribe the information to be furnished by an applicant or licensee concerning an
674 applicant or licensee's antecedents, habits, character, associates, criminal record, business
675 activities and financial affairs, past or present;

676 (3) prescribe the criteria for evaluation of the application for a gaming license including,
677 with regard to the proposed gaming establishment, an evaluation of architectural design and
678 concept excellence, integration of the establishment into its surroundings, including, but not
679 limited to potential access to multi-modal means of transportation, tourism appeal, level of
680 capital investment committed, financial strength of the applicant and the applicant's financial
681 plan;

682 (4) prescribe the information to be furnished by a gaming licensee relating to the
683 licensee's gaming employees;

684 (5) require fingerprinting of an applicant for a gaming license, a gaming licensee or
685 employee of a gaming licensee or other methods of identification;

686 (6) prescribe the manner and method of collection and payment of assessments and fees
687 and issuance of licenses;

688 (7) prescribe grounds and procedures for the revocation or suspension of a license or
689 registration;

690 (8) require quarterly financial reports and an annual audit prepared by a certified public
691 accountant attesting to the financial condition of a gaming licensee and disclosing whether the
692 accounts, records and control procedures examined are maintained by the gaming licensee as
693 required by this chapter and the regulations promulgated by the commission;

694 (9) prescribe the minimum procedures for effective control over the internal fiscal affairs
695 of a gaming licensee, including provisions for the safeguarding of assets and revenues, the
696 recording of cash and evidence of indebtedness and the maintenance of reliable records, accounts
697 and reports of transactions, operations and events, including reports by the commission;

698 (10) provide for a minimum uniform standard of accounting procedures;

699 (11) establish licensure and work permits for employees working at the gaming
700 establishment and minimum training requirements; provided, however, that the commission may
701 establish certification procedures for any training schools and the minimum requirements for
702 reciprocal licensing for out-of-state gaming employees;

703 (12) require that all gaming establishment employees be properly trained in their
704 respective professions;

705 (13) prescribe the conduct of junkets and conditions of junket agreements between
706 gaming licensees and junket representatives;

707 (14) provide for the interim authorization of a gaming establishment under this chapter;

708 (15) develop standards for monitoring and enforcing a gaming licensee's agreement with
709 impacted live entertainment venues;

710 (16) establish procedures and ensure compliance with the timelines for making the capital
711 investments required under this chapter;

712 (17) require the posting of payback statistics of slot machines played in a gaming
713 establishment; and

714 (18) establish security procedures for ensuring the safety of minors on the premises of a
715 gaming establishment.

716 (b) The commission may, pursuant to section 2 of chapter 30A, promulgate, amend or
717 repeal any regulation promulgated under this chapter as an emergency regulation if such
718 regulation is necessary to protect the interests of the commonwealth in regulating a gaming
719 establishment.

720 Section 6. (a) There shall be within the commission an investigations and enforcement
721 bureau which shall be the primary enforcement agent for regulatory matters under this chapter.
722 The bureau shall perform such functions as the chair may determine in relation to enforcement,
723 including the investigation of all licensees under this chapter. The bureau shall be under the
724 supervision and control of the deputy director of investigations and enforcement. The deputy
725 director shall be the executive and administrative head of the bureau and shall be responsible for

726 administering and enforcing the laws relative to the bureau and to each administrative unit of the
727 bureau. The duties of the deputy director as provided in this chapter and in any other general or
728 special law shall be exercised and discharged subject to the direction, control and supervision of
729 the chair.

730 (b) The bureau shall be a law enforcement agency and its employees shall have such law
731 enforcement powers as necessary to effectuate the purposes of this chapter, including the power
732 to receive intelligence on an applicant or licensee under this chapter and to investigate any
733 suspected violations of this chapter.

734 (c) Officers and employees of the gaming enforcement unit of the state police assigned to
735 the commission under section 70 of chapter 22C shall work with employees of the bureau, under
736 the direction of the deputy director, to investigate violations of this chapter by a licensee or to
737 investigate any activity taking place on the premises of a gaming establishment. Officers
738 assigned to work with the bureau shall record their time and submit total hours to the deputy
739 director and the commission shall reimburse the state police.

740 (d) The bureau shall notify the division of gaming enforcement in the office of the
741 attorney general of criminal violations by a gaming licensee. The bureau and the division shall
742 cooperate on the regulatory and criminal enforcement of this chapter and may determine whether
743 to proceed with civil or criminal sanctions, or both, against a gaming licensee.

744 (e) To further effectuate the purposes of this chapter with respect to the investigation and
745 enforcement of gaming establishments and licensees, the bureau may obtain or provide pertinent
746 information regarding applicants or licensees from or to law enforcement entities or gaming

747 authorities and other domestic, federal or foreign jurisdictions, including the Federal Bureau of
748 Investigation, and may transmit such information to each other electronically.

749 (f) The gaming enforcement unit within the department of state police shall have
750 exclusive police jurisdiction over any criminal activity relating to the operation of a gaming
751 establishment or relating to games or gaming that occur inside a gaming establishment; provided,
752 however, that the state police shall have concurrent jurisdiction with the law enforcement agency
753 of the host community on all other policing matters. The commission, in consultation with the
754 colonel of the state police, shall facilitate the execution of a memorandum of understanding with
755 the law enforcement agency of the host community that shall include, but not be limited to,
756 procedures involving: (i) assignment of police officers of the host community to the gaming
757 enforcement unit of the state police; (ii) first responder calls from the gaming establishment; (iii)
758 emergencies occurring within the gaming establishment, including the gaming area; and (iv)
759 criminal investigations involving employees or patrons of a gaming establishment.

760 (g) Investigators and employees of the gaming liquor enforcement unit of the alcoholic
761 beverages control commission assigned to the commission under section 72A of chapter 10 shall
762 work with employees of the bureau, under the direction of the deputy director, to enforce,
763 regulate and control the distribution of alcoholic beverages in a gaming establishment.
764 Investigators assigned to work with the bureau shall record their time and submit their total hours
765 to the deputy director and the commission shall reimburse the alcoholic beverages control
766 commission.

767 Section 7. The commission shall administer and enforce chapters 128A and 128C and any
768 other general or special law related to pari-mutuel wagering or simulcasting. The commission

769 shall serve as a host racing commission and an off-track betting commission for purposes of 15
770 U.S.C.A.30001, et seq.

771 The commission may grant a simulcasting license to a gaming establishment; provided,
772 however, that a reasonable percentage, as determined by the commission, of the wagering
773 received on instate and out-of-state thoroughbred and harness races shall be allocated to the Race
774 Horse Development Fund established in section 60 to support purse assistance and breeding
775 programs; provided, however, that in granting said license to a gaming establishment, the
776 commission shall take into consideration the impact on preexisting facilities licensed pursuant to
777 chapters 128A and 128C.

778 Section 8. (a) The commission shall issue a request for applications for category 1 and
779 category 2 licenses; provided, however, that the commission shall first issue a request for
780 applications for the category 2 licenses. All requests for applications shall include: (i) the time
781 and date for receipt of responses to the request for applications, the manner they are to be
782 received and the address of the office to which the applications shall be delivered; (ii) the form
783 of the application and the method for submission; (iii) a general description of the anticipated
784 schedule for processing the application; (iv) the contact information of commission employees
785 responsible for handling applicant questions; and (v) any other information that the commission
786 determines.

787 (b) Requests for applications pursuant to subsection (a) shall be advertised in a
788 newspaper of general circulation and on the official internet website of the commission.

789 (c) The commission shall establish deadlines for the receipt of all applications for a
790 gaming license. Applications received after the deadline shall not be reviewed by the
791 commission.

792 Section 9. (a) The commission shall prescribe the form of the application for gaming
793 licenses which shall require, but not be limited to, the following:

794 (1) the name of the applicant;

795 (2) the mailing address and, if a corporation, the name of the state under the laws of
796 which it is incorporated, the location of its principal place of business and the names and
797 addresses of its directors and stockholders;

798 (3) the identity of each person having a direct or indirect interest in the business and the
799 nature of such interest; provided, however, that if the disclosed entity is a trust, the application
800 shall disclose the names and addresses of all beneficiaries; provided further, that if the disclosed
801 entity is a partnership, the application shall disclose the names and addresses of all partners, both
802 general and limited; and provided further, that if the disclosed entity is a limited liability
803 company, the application shall disclose the names and addresses of all members;

804 (4) an independent audit report of all financial activities and interests including, but not
805 limited to, the disclosure of all contributions, donations, loans or any other financial transactions
806 to or from a gaming entity or operator in the past 5 years;

807 (5) clear and convincing evidence of financial stability including, but not limited to, bank
808 references, business and personal income and disbursement schedules, tax returns and other

809 reports filed by government agencies, and business and personal accounting check records and
810 ledgers;

811 (6) information and documentation to demonstrate that the applicant has sufficient
812 business ability and experience to establish the likelihood of establishment and maintenance of a
813 successful gaming establishment;

814 (7) a full description of the proposed internal controls and security systems for the
815 proposed gaming establishment and any related facilities;

816 (8) an agreement that the applicant shall mitigate the potential negative public health
817 consequences associated with gambling and the operation of a gaming establishment, including:
818 (i) maintaining a smoke-free environment within the gaming establishment under section 22 of
819 chapter 270; (ii) providing complimentary on-site space for an independent substance abuse and
820 mental health counseling service to be selected by the commission; (iii) prominently displaying
821 information on the signs of problem gambling and how to access assistance; (iv) describing a
822 process for individuals to exclude their names and contact information from a gaming licensee's
823 database or any other list held by the gaming licensee for use in marketing or promotional
824 communications; and (v) instituting other public health strategies as determined by the
825 commission;

826 (9) the designs for the proposed gaming establishment, including the names and
827 addresses of the architects, engineers and designers, and a timeline of construction that includes
828 detailed stages of construction for the gaming establishment, nongaming structures and
829 racecourse, where applicable;

830 (10) the number of construction hours estimated to complete the work;

831 (11) a description of the ancillary entertainment services and amenities to be provided at
832 the proposed gaming establishment; provided, however, that a gaming licensee shall only be
833 permitted to build a live entertainment venue that has less than 1,000 seats or more than 3,500
834 seats;

835 (12) the number of employees to be employed at the proposed gaming establishment,
836 including detailed information on the pay rate and benefits for employees;

837 (13) completed studies and reports as required by the commission, which shall include,
838 but not be limited to, an examination of the proposed gaming establishment's: (i) economic
839 benefits to the region and the commonwealth; (ii) local and regional social, environmental,
840 traffic and infrastructure impacts; (iii) impact on the local and regional economy, including the
841 impact on cultural institutions and on small businesses in the host community and surrounding
842 communities; (iv) cost to the host community and surrounding communities and the
843 commonwealth for the proposed gaming establishment to be located at the proposed location;
844 and (v) the estimated municipal and state tax revenue to be generated by the gaming
845 establishment;

846 (14) the names of proposed vendors of gaming equipment;

847 (15) the location of the proposed gaming establishment, which shall include the address,
848 maps, book and page numbers from the appropriate registry of deeds, assessed value of the land
849 at the time of application, and ownership interests over the past 20 years, including all interests,
850 options, agreements in property and demographic, geographic and environmental information,
851 and any other information requested by the commission;

852 (16) the type and number of games to be conducted at the proposed gaming establishment
853 and the specific location of the games in the proposed gaming establishment;

854 (17) the number of hotels and rooms, restaurants and other amenities located at the
855 proposed gaming establishment and how they measure in quality to other area hotels and
856 amenities;

857 (18) whether the applicant's proposed gaming establishment is part of a regional or local
858 economic plan; and

859 (19) whether the applicant purchased or intends to purchase publicly-owned land for the
860 proposed gaming establishment;

861 (b) Applications for licenses shall be public records under section 10 of chapter 66;
862 provided however, that trade secrets, competitively-sensitive or other proprietary information
863 provided in the course of an application for a gaming license under this chapter, the disclosure of
864 which would place the applicant at a competitive disadvantage, may be withheld from disclosure
865 under chapter 66.

866 Section 10. (a) The commission shall set the minimum capital investment for all category
867 1 licenses; provided, however, that all gaming licensees shall make a capital investment of not
868 less than $500,000,000 into the gaming establishment which shall include, but not be limited to,
869 a gaming area, at least 1 hotel and other amenities as proposed in the application for a category 1
870 license; and provided further, that the commission shall determine whether it will include the
871 purchase or lease price of the land where the gaming establishment will be located or any
872 infrastructure designed to support the site, including, but not limited to, drainage, utility support,
873 roadways, interchanges, fill and soil or groundwater or surface water contamination issues,

874 whether or not the applicant is an eligible owner or operator under chapter 206 of the acts of
875 1998, and has suitable capital to finance its operations and the proposed capital investment. Upon
876 award of a gaming license by the commission, the applicant shall be required to deposit 10 per
877 cent of the total investment proposed in the application into an interest-bearing account. Monies
878 received from the applicant shall be held in escrow until the final stage of construction, as
879 detailed in the timeline of construction submitted with the licensee's application and approved by
880 the commission, at which time the deposit shall be returned to the applicant to be applied for the
881 final stage. Should the applicant be unable to complete the gaming establishment, the deposit
882 shall be forfeited to the commonwealth. In place of a cash deposit, the commission may allow
883 for an applicant to secure a deposit bond insuring that 10 per cent of the proposed capital
884 investment shall be forfeited to the commonwealth if the applicant is unable to complete the
885 gaming establishment.

886 (b) A licensee who fails to begin gaming operations within 1 year after the date specified
887 in its construction timeline, as approved by the commission, shall be subject to suspension or
888 revocation of the gaming license by the commission and may, after being found by the
889 commission after a hearing to have acted in bad faith in its application, be assessed a fine of up
890 to $50,000,000.

891 (c) Applicants for a category 1 license shall submit their proposed capital investment with
892 their application to the commission which shall include stages of construction of the gaming
893 establishment and the deadline by which the stages and overall construction and any
894 infrastructure improvements will be completed. In awarding a category 1 license, the
895 commission shall determine at what stage of construction a licensee shall be approved to open
896 for business; provided, however, that a licensee shall not be approved to open for business until

897 the commission has determined that at least the gaming area and other ancillary entertainment
898 services and non-gaming amenities, as required by the commission, have been built and are of a
899 superior quality as set forth in the conditions of licensure; and provided further, that total
900 infrastructure improvements onsite and around the vicinity of the gaming establishment,
901 including projects to account for traffic mitigation as determined by the commission, shall be
902 completed before the gaming establishment shall be approved for opening by the commission.
903 The commission shall not approve a gaming establishment to open for business before the
904 completion of the permanent gaming area.

905 (d) The commission shall determine a minimum licensing fee for each region, which
906 shall not be less than $85,000,000, to be paid by a category 1 licensee within 30 days after the
907 final award of the license. The license shall set forth the conditions to be satisfied by the
908 licensee before the gaming establishment shall be opened to the public. The commission shall
909 set any renewal fee for such license based on the cost of fees associated with the evaluation of a
910 category 1 licensee under this chapter which shall be deposited into the Gaming Revenue Fund.
911 Such renewal fee will be exclusive of any subsequent licensing fees under this section.

912 (e) The commission shall determine the sources and total amount of an applicant's
913 proposed capitalization to develop, construct, maintain and operate a proposed gaming
914 establishment under this chapter. Upon award of a gaming license, the commission shall
915 continue to assess the capitalization of a licensee for the duration of construction of the proposed
916 gaming establishment and the term of the license.

917 Section 11. (a) The commission shall set the minimum capital investment for a category 2
918 license; provided, however, that the gaming licensee shall make a capital investment of not less

919 than $125,000,000 into the gaming establishment, which shall include, but not be limited to, a
920 gaming area or other amenities as proposed in the application for a category 2 license; and
921 provided further, that the commission shall determine whether it will include the purchase or
922 lease price of the land where the gaming establishment will be located or any infrastructure
923 designed to support the site, including, but not limited to, drainage, utility support, roadways,
924 interchanges, fill and soil or groundwater or surface water contamination issues, whether or not
925 the applicant is an eligible owner or operator under chapter 206 of the acts of 1998, and has
926 suitable capital to finance its operations and the proposed capital investment. The investment
927 required under this section shall be made within 2 years after receiving a gaming license;
928 provided, however, that any infrastructure improvements necessary to increase visitor capacity
929 and account for traffic mitigation shall not be considered part of the required capital investment
930 and, as determined by the commission, shall be completed before the category 2 licensee shall be
931 authorized to operate a slot machine at the gaming establishment.

932 (b) The commission shall determine the minimum licensing fee for a category 2 licensee,
933 which shall not be less than $25,000,000 to be paid within 30 days after the award of the license.

934 (c) Upon award of a category 2 license, the commission shall continue to assess the
935 capitalization of a licensee for the duration of construction of the proposed gaming establishment
936 and the term of the gaming license.

937 Section 12. (a) Upon receipt of an application for a gaming license, the commission shall
938 instruct the bureau to commence an investigation into the suitability of the applicant. In
939 evaluating the suitability of the applicant, the commission shall consider the overall reputation of
940 the applicant including, without limitation:

941 (1) the integrity, honesty, good character and reputation of the applicant;

942 (2) the financial stability, integrity and background of the applicant;

943 (3) the business practices and the business ability of the applicant to establish and
944 maintain a successful gaming establishment;

945 (4) whether the applicant has a history of compliance with gaming licensing requirements
946 in other jurisdictions;

947 (5) whether the applicant, at the time of application, is a defendant in litigation involving
948 its business practices;

949 (6) the suitability of all parties in interest to the gaming license, including affiliates, close
950 associates and the financial resources of the applicant; and

951 (7) whether the applicant is disqualified from receiving a license under section 16;
952 provided, however, that in considering the rehabilitation of an applicant for a gaming license, the
953 commission shall not automatically disqualify an applicant if the applicant affirmatively
954 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,
955 character, reputation, integrity and general fitness as such to warrant belief by the commission
956 that the applicant will act honestly, fairly, soundly and efficiently as a gaming licensee.

957 (b) If the bureau determines during its investigation that an applicant has failed to: (i)
958 establish the applicant's integrity or the integrity of any affiliate, close associate, financial source
959 or any person required to be qualified by the commission; (ii) demonstrate responsible business
960 practices in any jurisdiction; or (iii) overcome any other reason, as determined by the
961 commission, as to why it would be injurious to the interests of the commonwealth in awarding

962 the applicant a gaming license, the bureau shall cease any further review and recommend that the
963 commission deny the application.

964 (c) If the bureau has determined an applicant is suitable to receive a gaming license, the
965 bureau shall recommend that the commission commence a review of the applicant's entire
966 application.

967 Section 13. (a) All applicants for a gaming license, and any person required by the
968 commission to be qualified for licensure, shall establish its individual qualifications for licensure
969 to the commission by clear and convincing evidence.

970 (b) All applicants, licensees, registrants and any other person who shall be qualified
971 under this chapter shall have the continuing duty to provide any assistance or information
972 required by the commission and to cooperate in any inquiry or investigation conducted by the
973 commission. Refusal to answer or produce information, evidence or testimony by an applicant,
974 licensee, registrant or other person required to be qualified under this chapter may result in denial
975 of the application or suspension or revocation of license or registration by the commission.

976 (c) No applicant, licensee, registrant or person required to be qualified under this chapter
977 shall willfully withhold information from, or knowingly give false or misleading information to,
978 the commission. If the commission determines that an applicant, or a close associate of an
979 applicant, has willfully provided false or misleading information, such applicant shall not be
980 eligible to receive a license under this chapter. Any licensee or other person required to be
981 qualified for licensure under this chapter who willfully provides false or misleading information
982 shall have its license conditioned, suspended or revoked by the commission.

983 Section 14. (a) The commission shall require anyone with a financial interest in a gaming
984 establishment, or with a financial interest in the business of the gaming licensee or applicant for
985 a gaming license or who is a close associate of a gaming licensee or an applicant for a gaming
986 license, to be qualified for licensure by meeting the criteria provided in sections 12 and 16 and to
987 provide any other information that the commission may require.

988 (b) For each business that applies for a gaming license, the commission shall determine
989 whether each officer and director of a corporation, other than a publicly-traded corporation,
990 general partner and limited partner of a limited partnership, and member, transferee of a
991 member's interest in a limited liability company, director and manager of a limited liability
992 company which holds or applies for a gaming license meets the standards for qualification of
993 licensure pursuant to sections 12 and 16 and, in the judgment of the commission, any or all of a
994 business's individual stockholders, lenders, holders of evidence of indebtedness, underwriters,
995 close associates, executives, agents or employees.

996 (c) A person owning more than 5 per cent of the common stock of the applicant
997 company, directly or indirectly, or a holding, intermediary or subsidiary of an applicant company
998 may be required meet the qualifications for licensure under sections 12 and 16. The commission
999 may waive the licensing requirements for institutional investors holding up to 15 per cent of the
1000 stock of the applicant company or holding, intermediary or subsidiary company of the applicant
1001 company upon a showing by the person seeking the waiver that the applicant purchased the
1002 securities for investment purposes only and does not have any intention to influence or affect the
1003 affairs or operations of the applicant company or a holding, intermediary or subsidiary of the
1004 applicant company. An institutional investor granted a waiver which subsequently determines to
1005 influence or affect the affairs or operations of the applicant company or a holding, intermediary

1006 or subsidiary of the applicant company shall provide not less than 30 days notice to the
1007 commission of such intent and the commission shall ensure that the institutional investor meets
1008 the qualifications for licensure under said sections 12 and 16 before the institutional investor may
1009 take an action that may influence or affect the affairs of the applicant company or a holding,
1010 intermediary or subsidiary of the applicant company. Any company holding over 15 per cent of
1011 the applicant company, or a holding, intermediary or subsidiary of an applicant company, shall
1012 be required to meet the qualifications for licensure under said sections 12 and 16.

1013 (d) A person who is required to be qualified for licensure under this section as a general
1014 or limited partner shall not serve as such a partner until that person obtains the required approval
1015 or waiver from the commission.

1016 (e) The commission shall require any person involved in the financing of a gaming
1017 establishment or an applicant's proposed gaming establishment to be qualified for licensure
1018 pursuant to sections 12 and 16 and may allow such person to seek a waiver pursuant to the
1019 standards in subsection (c).

1020 (f) A person required to be qualified for licensure shall apply for qualification within 30
1021 days after taking a position with the business. A person who is required to be qualified for
1022 licensure pursuant to a decision of the commission shall apply for qualification within 30 days
1023 after that decision.

1024 (g) If a corporation or other form of business organization applying for a gaming license
1025 is, or if a corporation or other form of business organization holding a gaming license is to
1026 become, a subsidiary, each holding company, intermediary company and other entity having an
1027 interest in the applicant shall be required to be qualified for licensure under sections 12 and 16.

1028 (h) The commission shall require that a company or individual that can exercise control
1029 or provide direction to a gaming licensee or applicant for a gaming license or a holding,
1030 intermediary or subsidiary of a gaming licensee or applicant for a gaming license be qualified for
1031 licensure under sections 12 and 16; provided, however, that the commission may allow such
1032 person to seek a waiver under subsection (c).

1033 (i) The bureau shall investigate each person required to be qualified for licensure under
1034 this section and shall: (i) make a recommendation to the commission that the commission
1035 approve or deny the application for licensure; or (ii) extend the period for issuing a
1036 recommendation in order to obtain additional information necessary for a complete evaluation of
1037 the application for a license.

1038 Section 15. No applicant shall be eligible to receive a gaming license unless the applicant
1039 meets the following criteria and clearly states as part of an application that the applicant shall:

1040 (1) agree to be a licensed state lottery sales agent under chapter 10 to sell or operate the
1041 lottery, multi-jurisdictional and keno games; demonstrate that the lottery and keno games shall
1042 be readily accessible to the guests of the gaming establishment and agree that, as a condition of
1043 its license to operate a gaming establishment, that it will not create, promote, operate or sell
1044 games that are similar to or in direct competition, as determined by the commission, with games
1045 offered by the state lottery commission, including the lottery instant games or its lotto style
1046 games such as keno or its multi-jurisdictional games;

1047 (2) in accordance with the design plans submitted with the licensee's application to the
1048 commission, invest not less than the required capital under this chapter into the gaming
1049 establishment;

1050 (3) own or acquire, within 60 days after a license has been awarded, the land where the
1051 gaming establishment is proposed to be constructed; provided, however, that ownership of the
1052 land shall include a tenancy for a term of years under a lease that extends not less than 60 years
1053 beyond the term of the gaming license issued under this chapter;

1054 (4) meet the licensee deposit requirement;

1055 (5) demonstrate that it is able to pay and shall commit to paying the gaming licensing fee;

1056 (6) demonstrate to the commission how the applicant proposes to address lottery
1057 mitigation, compulsive gambling problems, workforce development and community
1058 development as well as host and surrounding community impact and mitigation issues as set
1059 forth in the memoranda of understanding required under this chapter;

1060 (7) identify the infrastructure costs of the host and surrounding communities incurred in
1061 direct relation to the construction and operation of a gaming establishment and commit to a
1062 community mitigation plan for those communities;

1063 (8) provide to the commission a signed agreement between the host community and the
1064 applicant setting forth the conditions to have a gaming establishment located within the host
1065 community; provided, however, that the agreement shall include a community impact fee for the
1066 host community and all stipulations of responsibilities between the host community and the
1067 applicant, including stipulations of known impacts from the development and operation of a
1068 gaming establishment;

1069 (9) provide to the commission signed agreements between the surrounding communities
1070 and the applicant setting forth the conditions to have a gaming establishment located in

1071 proximity to the surrounding communities and documentation of public outreach to those
1072 surrounding communities; provided, however, that the agreement shall include a community
1073 impact fee for each surrounding community and all stipulations of responsibilities between each
1074 surrounding community and the applicant, including stipulations of known impacts from the
1075 development and operation of a gaming establishment; provided further that, in the event that an
1076 applicant cannot reach agreement with a surrounding community, the applicant shall submit to
1077 the commission a report detailing the course of negotiations with the surrounding community,
1078 including the last offer proposed by the applicant and rejected by the surrounding community
1079 and the commission, as a condition of licensure, may require that an applicant fulfill the terms set
1080 forth in the last proposal or impose additional or alternative terms upon the applicant as the
1081 commission deems reasonable;

1082 (10) provide to the commission signed agreements between the impacted live
1083 entertainment venues, or its designee and the applicant setting forth the conditions to have a
1084 gaming establishment located in proximity to the impacted live entertainment venues; provided,
1085 however, that the agreement shall include, but not be limited to, terms relating to cross marketing
1086 and coordination of performance schedules;

1087 (11) pay to the commission a nonrefundable application fee of $350,000 to defray the
1088 costs associated with the processing of the application and investigation of the applicant;
1089 provided, however, that if the costs of the investigation exceed the initial application fee, the
1090 applicant shall pay the additional amount to the commission within 30 days after notification of
1091 insufficient fees or the application shall be rejected;

1092 (12) comply with state and local building codes and local ordinances and bylaws,
1093 including sections 61 to 62H, inclusive, of chapter 30;

1094 (13) have received a certified and binding vote on a ballot question at an election in the
1095 host community, in favor of such license; provided, however that the vote shall take place after
1096 the effective date of this chapter; provided further that upon receipt of a request for an election,
1097 the governing body of the municipality shall call for the election to be held not less than 35 days
1098 but not more than 90 days from the date that the request was received; provided further, that a
1099 binding vote shall be conducted not less than 60 days after the execution of a signed agreement
1100 between the host community and the applicant as provided in clause (8); provided further, that
1101 the municipality that holds an election shall be reimbursed for its expenses related to the election
1102 by the applicant; provided further, that, for purposes of this clause, if the gaming establishment is
1103 proposed to be located in a city with a population of at least 125,000 residents according to the
1104 most recent enumerated federal census, "host community" shall mean the ward in which the
1105 gaming establishment is to be located for the purpose of receiving a certified and binding vote on
1106 a ballot question at an election; provided further, that, upon the signing of an agreement between
1107 the host community and the applicant, and upon the request of the applicant, the city or town
1108 clerk shall set a date certain for an election on the ballot question in the host community;
1109 provided further, that at such election, the question submitted to the voters shall be worded as
1110 follows: "Shall the (city/town) of _____ permit the operation of a gaming establishment
1111 licensed by the Massachusetts Gaming Commission to be located at ____[description of
1112 site]_____? YES _____ NO _____" ; provided further, that if a majority of the votes cast in a
1113 host community in answer to the ballot question is in the affirmative, the host community shall
1114 be taken to have voted in favor of the applicant's license; provided further, that if a proposed

1115 gaming establishment is situated in 2 or more cities or towns, the applicant shall execute an
1116 agreement with each host community, or a joint agreement with both communities, and receive a
1117 certified and binding vote on a ballot question at an election held in each host community, in
1118 favor of such a license;

1119 (14) provide a community impact fee to the host community;

1120 (15) formulate for commission approval and abide by a marketing program by which the
1121 applicant shall identify specific goals, expressed as an overall program goal applicable to the
1122 total dollar amount of contracts, for utilization of: (i) minority business enterprises, women
1123 business enterprises and veteran business enterprises to participate as contractors in the design of
1124 the gaming establishment; (ii) minority business enterprises, women business enterprises and
1125 veteran business enterprises to participate as contractors in the construction of the gaming
1126 establishment; and (iii) minority business enterprises, women business enterprises and veteran
1127 business enterprises to participate as vendors in the provision of goods and services procured by
1128 the gaming establishment and any businesses operated as part of the gaming establishment; and

1129 (16) formulate for commission approval and abide by an affirmative-action program of
1130 equal opportunity whereby the applicant establishes specific goals for the utilization of
1131 minorities, women and veterans on construction jobs; provided, however, that such goals shall be
1132 equal to or greater than the goals contained in the executive office for administration and finance
1133 Administration Bulletin Number14. In furtherance of specific goals for the utilization of
1134 minorities and women on construction jobs, the licensee shall send to each labor union or
1135 representative of workers with which the applicant has a collective bargaining agreement or

1136 other contract or understanding, a notice advising the labor union or workers' representative of
1137 the applicant's commitments.

1138 Section 16. The commission shall deny an application for a gaming license, or any
1139 license or registration issued under this chapter, if the applicant: (i) has been convicted of a
1140 felony or other convictions involving embezzlement, theft, fraud or perjury; provided, however,
1141 that for convictions which occurred before the 10-year period immediately preceding application
1142 for licensure, an applicant may demonstrate, and the commission shall consider, the applicant's
1143 rehabilitation and whether such conviction should not be an automatic disqualification under this
1144 section; (ii) submitted an application for a license under this chapter that contains false or
1145 misleading information; (iii) committed prior acts which have not been prosecuted or in which
1146 the applicant was not convicted but form a pattern of misconduct that makes the applicant
1147 unsuitable for a license under this chapter; or (iv) has affiliates or close associates that would not
1148 qualify for a license or whose relationship with the applicant may pose an injurious threat to the
1149 interests of the commonwealth in awarding a gaming license to the applicant.

1150 Section 17. (a) After a review of the entire application and any independent evaluations,
1151 the commission shall identify which communities shall be designated as the surrounding
1152 communities of a proposed gaming establishment; provided, however, that any community that
1153 has negotiated a surrounding community memorandum of understanding with the applicant that
1154 was submitted with the application shall be considered a surrounding community by the
1155 commission. In making that determination, the commission shall consider the detailed plan of
1156 construction submitted by the applicant, information received from the public and factors which
1157 shall include, but not be limited to, population, infrastructure and distance from the gaming
1158 establishment and political boundaries. If the commission determines a city or town to be a

1159 surrounding community and the applicant has not finalized negotiations with that community in
1160 its application pursuant to section 15; the applicant shall negotiate a signed agreement with that
1161 community within 30 days and no action shall be taken on its application prior to the execution
1162 of that agreement. When necessary the commission may facilitate the negotiation of fair and
1163 reasonable agreements between the applicant and surrounding communities.

1164 (b) After a review of the entire application and any independent evaluations, the
1165 commission shall identify which live entertainment venues shall be designated as impacted live
1166 entertainment venues of a proposed gaming establishment; provided, however, that any live
1167 entertainment venue that has negotiated an agreement with the applicant that was submitted with
1168 the application shall be considered an impacted live entertainment venue by the commission. If
1169 the commission determines an live entertainment venue to be an impacted live entertainment
1170 venue and the applicant has not included a signed agreement with that live entertainment venue,
1171 or its designee in its application, the applicant shall negotiate a signed agreement with that live
1172 entertainment venue within 30 days and no action shall be taken on its application prior to the
1173 execution of that agreement. A gaming licensee's compliance with such agreements shall be
1174 considered upon a gaming licensee's application for renewal of the gaming license. When
1175 necessary the commission may facilitate the negotiation of fair and reasonable agreements
1176 between the applicant and impacted live entertainment venues.

1177 (c) The commission shall conduct a public hearing on the application pursuant to section
1178 11 ½ of chapter 30A. An applicant for a gaming license and a municipality designated as a host
1179 or surrounding community shall be given at least 30 days notice of the public hearing. The
1180 commission shall hold the public hearing within the host community; provided, however, that the
1181 host community may request that the commission hold the hearing in another city or town.

1182 (d) The public hearing shall provide the commission the opportunity to address questions
1183 and concerns relative to the proposal of a gaming applicant to build a gaming establishment,
1184 including the scope and quality of the gaming area and amenities, the integration of the gaming
1185 establishment into the surrounding community and the extent of required mitigation plans, as
1186 well as receive input from members of the public from the impacted community or communities.
1187 During the hearing, the commission may take the opportunity to read into the record any letters
1188 of support, opposition or concern from members of the communities in the vicinity of the
1189 proposed gaming establishment.

1190 (e) Not later than 90 days after the conclusion of the public hearing, the commission shall
1191 take action on the application. The commission may: (i) grant the application for a gaming
1192 license; (ii) deny the application; or (iii) extend the period for issuing a decision in order to
1193 obtain any additional information necessary for a complete evaluation of the application;
1194 provided, however, that the extension shall be not longer than 30 days.

1195 (f) Upon denial of an application, the commission shall prepare and file the commission's
1196 decision and, if requested by the applicant, shall further prepare and file a statement of the
1197 reasons for the denial, including specific findings of fact by the commission and the
1198 recommendation from the bureau with respect to the suitability of the applicant pursuant to
1199 sections 12 and 16. Applicants may request a hearing before the commission to contest any
1200 findings of fact by the bureau into the suitability of the applicant.

1201 (g) The commission shall have full discretion as to whether to issue a license.
1202 Applicants shall have no legal right or privilege to a gaming license and shall not be entitled to
1203 any further review if denied by the commission.

1204 Section 18. In determining whether an applicant shall receive a gaming license, the
1205 commission shall evaluate and issue a statement of findings of how each applicant proposes to
1206 advance the following objectives:

1207 (1) protecting the lottery from any adverse impacts due to expanded gaming including,
1208 but not limited to, developing cross-marketing strategies with the lottery and increasing ticket
1209 sales to out-of-state residents;

1210 (2) promoting local businesses in host and surrounding communities, including
1211 developing cross-marketing strategies with local restaurants, small businesses, hotels, retail
1212 outlets and impacted live entertainment venues;

1213 (3) realizing maximum capital investment exclusive of land acquisition and infrastructure
1214 improvements;

1215 (4) implementing a workforce development plan to utilize the existing Massachusetts
1216 labor force, including the estimated number of construction jobs a proposed gaming
1217 establishment will generate, the development of workforce training programs that serve the
1218 unemployed and methods for accessing employment at the gaming establishment;

1219 (5) building a gaming establishment of high caliber with a variety of quality amenities to
1220 be included as part of the gaming establishment and operated in partnership with local hotels
1221 and dining, retail and entertainment facilities so that patrons experience the diversified regional
1222 tourism industry;

1223 (6) taking additional measures to address problem gambling including, but not limited to,
1224 training of gaming employees to identify patrons exhibiting problems with gambling and
1225 prevention programs targeted toward vulnerable populations;

1226 (7) providing a market analysis detailing the benefits of the site location of the gaming
1227 establishment and the estimated recapture rate of gaming-related spending by residents travelling
1228 to out of state gaming establishments;

1229 (8) utilizing sustainable development principles including, but not limited to: (i) being
1230 certified as gold or higher under the appropriate certification category in the Leadership in
1231 Environmental and Energy Design program created by the United States Green Building
1232 Council; (ii) meeting or exceeding the stretch energy code requirements contained in Appendix
1233 120AA of the Massachusetts building energy code or equivalent commitment to advanced
1234 energy efficiency as determined by the secretary of energy and environmental affairs; (iii) efforts
1235 to mitigate vehicle trips; (iv) efforts to converse water and manage storm water; (v)
1236 demonstration that electrical and HVAC equipment and appliances will be EnergyStar labeled
1237 where available; (vi) procuring or generating on-site 10 per cent of its annual electricity
1238 consumption from renewable sources qualified by the department of energy resources under
1239 section 11F of chapter 25A; and (vii) developing an ongoing plan to submeter and monitor all
1240 major sources of energy consumption and undertake regular efforts to maintain and improve
1241 energy efficiency of buildings in their systems;

1242 (9) establishing, funding and maintaining human resource hiring and training practices
1243 that promote the development of a skilled and diverse workforce and access to promotion
1244 opportunities through a workforce training program that: (i) establishes transparent career paths

1245 with measurable criteria within the gaming establishment that lead to increased responsibility
1246 and higher pay grades that are designed to allow employees to pursue career advancement and
1247 promotion; (ii) provides employee access to additional resources, such as tuition reimbursement
1248 or stipend policies, to enable employees to acquire the education or job training needed to
1249 advance career paths based on increased responsibility and pay grades; and (iii) establishes an
1250 on-site child day-care program;

1251 (10) contracting with local business owners for the provision of services and goods to the
1252 gaming establishment, including developing plans designed to assist businesses in the
1253 commonwealth in identifying the needs for goods and services to the establishment;

1254 (11) maximizing revenues received by the commonwealth;

1255 (12) providing a high number of quality jobs in the gaming establishment;

1256 (13) offering the highest and best value to create a secure and robust gaming market in
1257 the region and the commonwealth;

1258 (14) mitigating potential impacts on host and surrounding communities which might
1259 result from the development or operation of the gaming establishment;

1260 (15) purchasing, whenever possible, domestically manufactured slot machines for
1261 installation in the gaming establishment;

1262 (16) implementing a marketing program that identifies specific goals, expressed as an
1263 overall program goal applicable to the total dollar amount of contracts, for the utilization of: (i)
1264 minority business enterprises, women business enterprises and veteran business enterprises to
1265 participate as contractors in the design of the gaming establishment; (ii) minority business

1266 enterprises, women business enterprises and veteran business enterprises to participate as
1267 contractors in the construction of the gaming establishment; and (iii) minority business
1268 enterprises, women business enterprises and veteran business enterprises to participate as
1269 vendors in the provision of goods and services procured by the gaming establishment and any
1270 businesses operated as part of the gaming establishment; and

1271 (17) implementing a workforce development plan that: (i) incorporates an affirmative
1272 action program of equal opportunity by which the applicant guarantees to provide equal
1273 employment opportunities to all employees qualified for licensure in all employment categories,
1274 including persons with disabilities; (ii) utilizes the existing labor force in the commonwealth,;
1275 (iii) estimates the number of construction jobs a gaming establishment will generate and provides
1276 for equal employment opportunities and which includes specific goals for the utilization of
1277 minorities and women on those construction jobs; (iv) identifies workforce training programs
1278 offered by the gaming establishment; and (v) identifies the methods for accessing employment at
1279 the gaming establishment.

1280 (18) whether the applicant has a contract with organized labor, including hospitality
1281 services, and has the support of organized labor for its application, which specifies: the number
1282 of employees to be employed at the gaming establishment, including detailed information on the
1283 pay rate and benefits for employees and contractor; the total amount of investment by the
1284 applicant in the gaming establishment and all infrastructure improvements related to the project;
1285 and completed studies and reports as required by the commission, which shall include, but are
1286 not limited to, an economic benefit study, both for the commonwealth and region; and whether
1287 the applicant has included detailed plans for assuring labor harmony during all phases of the

1288 construction, re-construction, renovation, development and operation of the gaming
1289 establishment.

1290 Section 19. (a) The commission may issue not more than 3 category 1 licenses based on
1291 the applications and bids submitted to the commission. Not more than 1 license shall be awarded
1292 per region. Regions shall be established as follows:

1293 (1) region A: suffolk, middlesex, essex, norfolk and worcester counties;

1294 (2) region B: hampshire, hampden, franklin and berkshire counties; and

1295 (3) region C: bristol, plymouth, nantucket, dukes and barnstable counties.

1296 Gaming licenses shall only be issued to applicants who are qualified under the criteria set
1297 forth in this chapter, as determined by the commission. Within any region, if the commission is
1298 not convinced that there is an applicant that has both met the eligibility criteria and provided
1299 convincing evidence that the applicant will provide value to the region in which the gaming
1300 establishment is proposed to be located and to the commonwealth, no gaming license shall be
1301 awarded in that region.

1302 (b) No other gaming license shall be issued by the commission for a period of 15 years
1303 after the initial awarding of gaming licenses. A category 1 license issued pursuant to this chapter
1304 shall be valid for an initial period of 20 years; provided, however, that after this initial period has
1305 elapsed, a renewed category 1 license issued pursuant to this chapter shall be valid for a period of
1306 15 years. The commission shall establish procedures for renewal and set the renewal fee based
1307 on the cost of fees associated with the evaluation of a licensee. Any renewal fees shall be
1308 deposited into the Gaming Revenue Fund.

1309 (c) No gaming licensee shall transfer a gaming license or any direct or indirect interest in
1310 the gaming license or a gaming establishment without the majority approval of the commission.
1311 A person seeking to acquire a gaming license through a transfer shall qualify for licensure under
1312 this chapter. The commission shall reject a gaming license transfer or a transfer of interest in the
1313 gaming establishment to an unsuitable person and may reject a proposed transfer that, in the
1314 opinion of the commission, would be disadvantageous to the interests of the commonwealth.

1315 (d) The commission shall take into consideration the physical distance in selecting the
1316 locations of the gaming establishments as they relate to each other and how they maximize
1317 benefits to the commonwealth.

1318 (e) If a category 1 license is awarded to an applicant with a simulcasting license under
1319 chapter 128C as of July 1, 2011, a condition of the gaming license shall be to maintain the
1320 simulcasting license under said chapter 128C. Upon failure to conduct simulcast wagering, the
1321 commission shall suspend the category 1 license.

1322 (f) If a category 1 license is awarded to an applicant with live racing under chapter 128A
1323 as of July 1, 2011, a condition of the gaming license shall be to maintain and complete the annual
1324 live racing season under said chapter 128A. Upon failure to conduct live racing the commission
1325 shall suspend the category 1 license.

1326 (g) For the purposes of subsections (e) and (f), an applicant for a gaming license shall be
1327 considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i)
1328 owns 50.1 or more per cent of the common stock of the company which obtained a license under
1329 said chapter 128A or 128C; and (ii) is a person who owns more than 5 per cent of the common

1330 stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming
1331 license.

1332 Section 20. (a) The commission may issue not more than 1 category 2 license; provided,
1333 however, that the category 2 license shall only be issued to an applicant who is qualified under
1334 the criteria set forth in this chapter as determined by the commission. If the commission is not
1335 convinced that there is an applicant that has both met the eligibility criteria and provided
1336 convincing evidence that the applicant will provide value to the commonwealth, no category 2
1337 license shall be awarded.

1338 (b) If a category 2 license is awarded to an applicant with a simulcasting license under
1339 chapter 128C as of July 1, 2011, a condition of said license shall be to maintain the simulcasting
1340 license.pursuant to said chapter 128C. Upon failure to conduct simulcast wagering the
1341 commission shall suspend the category 2 license.

1342 (c) If a category 2 license is awarded to an applicant with live racing, pursuant to chapter
1343 128A as of July 1, 2011, a condition of the license shall be to maintain and complete the annual
1344 live racing season pursuant to said chapter 128A. Upon failure to conduct live racing, the
1345 commission shall suspend the category 2 license.

1346 (d) For the purposes of subsections (b) and (c), an applicant for a gaming license shall be
1347 considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i)
1348 owns 50.1 or more per cent of the common stock of the company which obtained a license under
1349 chapter 128A or 128C; and (ii) includes a person who owns more than 5 per cent of the common
1350 stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming
1351 license.

1352 (e) A category 2 license issued pursuant to this chapter shall not be transferrable or
1353 assignable without the approval of the commission; provided, however, that for 5 years after the
1354 initial issuance of a category 2 license, the commission shall only approve such a transfer if: (i)
1355 the licensee experiences a change in ownership; or (ii) the licensee fails to maintain suitability or
1356 other circumstances which the commission may consider, which, in the opinion of a majority of
1357 members of the commission, impact a licensee's ability to successfully operate a gaming
1358 establishment.

1359 (f) A category 2 license issued pursuant to this chapter shall be for a period of 5 years.
1360 The commission shall establish procedures for renewal and set the renewal fee based on the cost
1361 of fees associated with the evaluation of a licensee; provided, however, that the cost of renewal
1362 shall not be less than $100,000. Any renewal fees shall be deposited into the Gaming Revenue
1363 Fund.

1364 Section 21. (a) The commission shall prescribe the form of the gaming license, which
1365 shall include, but not be limited to, the following license conditions for each licensee. The
1366 licensee shall:

1367 (1) have an affirmative obligation to abide by every statement made in its application to
1368 the commission including all evaluation criteria and eligibility requirements;

1369 (2) comply with all laws of the commonwealth, the laws of the United States and all rules
1370 and regulations promulgated under this chapter;

1371 (3) pay daily to the commission the gross gaming revenue payment;

1372 (4) make, or cause to be made, capital expenditures to its gaming establishment in a
1373 minimum aggregate amount equal to the lesser of $15 million or 3.5 per cent per year of the net
1374 gaming revenues derived from the establishment;

1375 (5) change its business governing structure without the notification and approval of the
1376 commission;

1377 (6) operate, invest or own, in whole or in part, another gaming licensee's license or
1378 gaming establishment;

1379 (7) cooperate with the commission and the attorney general in all gaming-related
1380 investigations. Each gaming licensee shall make readily available all documents, materials,
1381 equipment, personnel and any other items requested during all investigations; provided, however,
1382 that material that the gaming licensee considers a trade secret or detrimental to the gaming
1383 licensee if it were made public may, with the commission's approval, be protected from public
1384 disclosure and the gaming licensee may require nondisclosure agreements with the commission
1385 before disclosing such material;

1386 (8) cooperate with the commission and the attorney general with respect to the
1387 investigation of any criminal matter; provided, however, that the gaming licensee shall, upon
1388 receipt of a criminal or civil process compelling testimony or production of documents in
1389 connection with a civil or criminal investigation, immediately disclose such information to the
1390 commission; and provided further, that this clause shall not prohibit private persons or public
1391 entities from seeking any remedy or damages against a gaming licensee;

1392 (9) allow the commission or the division and state police officers assigned to the
1393 commission or the division to conduct warrantless searches of the licensee's gaming area;

1394 (10) have a duty to inform the commission of any action which the gaming licensee
1395 reasonably believes would constitute a violation of this chapter, and shall assist the commission
1396 and any federal or state law enforcement agency in the investigation and prosecution of such
1397 violation; provided, however, that no person who informs the commission of such an action shall
1398 be discriminated against by an applicant or gaming licensee as a consequence for having
1399 supplied such information;

1400 (11) provide an office for the commission at the gaming establishment and the designated
1401 state police unit at the gaming establishment; provided, however, that the commission shall
1402 establish the minimum requirements for square footage for the state police office, office
1403 furnishings and parking space;

1404 (12) collect and annually report to the commission a detailed statistical report on the
1405 number, job titles, benefits and salaries of employees hired and retained in employment at the
1406 gaming establishment;

1407 (13) employ only those persons licensed or registered by the commission;

1408 (14) do business only with those vendors licensed or registered by the commission;

1409 (15) provide to the commission aggregate demographic information with respect to the
1410 gaming licensee's customers in a manner and under a schedule to be defined by the commission;

1411 (16) provide complimentary on-site space for an independent substance abuse,
1412 compulsive gambling and mental health counseling service and establish a program to train
1413 gaming employees in the identification of and intervention with customers exhibiting problem
1414 gaming behavior;

1415 (17) keep conspicuously posted in the gaming area a notice containing the name and a
1416 telephone number for problem gambling assistance; provided, however, that the commission
1417 may require the gaming licensee to provide this information in more than 1 language;

1418 (18) provide a process for individuals to exclude their names and contact information
1419 from the gaming licensee's database or any other list held by the gaming licensee for use in
1420 marketing or promotional communications;

1421 (19) institute additional public health strategies as required by the commission;

1422 (20) abide by an affirmative-action program of equal opportunity by which the gaming
1423 licensee guarantees to provide equal employment opportunities to all employees qualified for
1424 licensure in all employment categories, including a person with a disability, under the laws of the
1425 commonwealth.

1426 (21) formulate for commission approval and abide by an affirmative marketing program
1427 by which the gaming licensee identifies specific goals, expressed as an overall program goal
1428 applicable to the total dollar amount or value of contracts entered into, for the utilization of: (i)
1429 minority business enterprises, women business enterprises and veteran business enterprises to
1430 participate as contractors in the design of the gaming establishment; (ii) minority business
1431 enterprises, women business enterprises and veteran business enterprises to participate as
1432 contractors in the construction of the gaming establishment; and (iii) minority business
1433 enterprises, women business enterprises and veteran business enterprises to participate as
1434 vendors in the provision of goods and services procured by the gaming establishment and any
1435 businesses operated as part of the gaming establishment; provided, however, that the specific
1436 goals for the utilization of such minority business enterprises, women business enterprises and

1437 veteran business enterprises shall be based on the availability of such minority business
1438 enterprises, women business enterprises and veteran business enterprises engaged in the type of
1439 work to be contracted by the gaming licensee;

1440 (22) formulate for commission approval and abide by an affirmative action program of
1441 equal opportunity whereby the licensee establishes specific goals for the utilization of minorities,
1442 women and veterans on construction jobs; provided, however, that such goals shall be equal to or
1443 greater than the goals contained in executive office of administration and finance administration
1444 Bulletin Number 14; provided further, that in furtherance of the specific goals for the utilization
1445 of minorities, women and veterans on construction jobs, the gaming licensee shall send to each
1446 labor union or representative of workers with which the gaming licensee or its agent has a
1447 collective bargaining agreement or other contract or understanding, a notice advising the labor
1448 union or workers' representative of the gaming licensee's commitments;

1449 (23) provide to the commission, on a quarterly basis, a detailed statistical report on the
1450 number, gender and race of individuals hired to perform labor as part of the construction of the
1451 gaming establishment; and

1452 (24) collect and annually provide to the commission a detailed statistical report on the
1453 total dollar amounts contracted with and actually paid to minority business enterprises, women
1454 business enterprises and veterans business enterprises in: (i) design contracts; (ii) construction
1455 contracts; and (iii) contracts for every good and service procured by the gaming establishment;
1456 provided, however, that such statistical report shall also identify the amounts so contracted as a
1457 percentage of total dollar amounts contracted with and actually paid to all firms.

1458 (b) No person shall transfer a gaming license, a direct or indirect real interest, structure,
1459 real property, premises, facility, personal interest or pecuniary interest under a gaming license
1460 issued under this chapter or enter into an option contract, management contract or other
1461 agreement or contract providing for such transfer in the present or future, without the notification
1462 to, and approval by, the commission. The commission may promulgate rules and regulations that
1463 create exemptions from the approval requirement; provided, however, that: (i) in no event shall
1464 a bona fide commercial financial institution licensed by the division of banks which becomes a
1465 substantial party of interest with a gaming licensee be considered a transferee; (ii) the
1466 commission may require the transferor, transferee, or both, to pay to the commission an amount
1467 representing the commonwealth's share of the increased value for the transferred licenses,
1468 property or interest; provided, further, that the commission shall consider as a factor in
1469 determining the amount of the payment the market value of the gaming license, property or
1470 interest when it was acquired and at the time of the transfer; provided further, that the
1471 commission may place additional conditions or restrictions on a transfer that the commission
1472 considers suitable; provided further, that the commission may reject a transfer if the commission
1473 considers the transfer unsuitable; and (iii) any payments collected by the commission on behalf
1474 of the commonwealth based on the transfer shall be deposited in the same manner as license fees
1475 are deposited.

1476 (c) The commission may include any reasonable additional requirements to the license
1477 conditions.

1478 (25) require its security personnel to conduct regular checks of parking areas for minors
1479 left in motor vehicles and immediately report any such finding to the local police in the
1480 municipality where the gaming establishment is located.

1481 Section 22. The sale, assignment, transfer, pledge or other disposition of any security
1482 issued by a corporation, which holds a gaming license shall be conditional and shall be
1483 ineffective if disapproved by the commission. If at any time the commission finds that an
1484 individual owner or holder of a security of a corporate licensee or of a holding or intermediary
1485 company with respect thereto is not qualified under this chapter and if as a result the corporate
1486 licensee is no longer qualified to continue as a gaming licensee, the commission shall take any
1487 action necessary to protect the interests of the commonwealth including, but not limited to,
1488 suspension or revocation of the gaming license of the corporation.

1489 Each corporation which has been issued a gaming license pursuant to this chapter shall
1490 file a report of any change of its corporate officers or members of its board of directors with the
1491 commission. No officer or director shall be entitled to exercise any powers of office until
1492 qualified by the commission.

1493 Section 23. (a) A category 1 or category 2 licensee shall issue an annual report to the
1494 commission explicitly stating its progress on meeting each of the stated goals and stipulations put
1495 forth in the licensee's original application. Inability to meet stated goals within a reasonable
1496 time frame, as determined by the commission, shall result in additional fees as deemed fair and
1497 reasonable by the commission. Failure to meet stated goals may also result in revocation of the
1498 license at any time by the commission.

1499 Nothing in this section shall preclude the commission at any time from reviewing the
1500 business operations of a gaming licensee to ensure that the conditions of licensure are being met
1501 including, but not limited to, the suitability of the gaming licensee and any affiliates and the
1502 fiscal stability of the gaming establishment.

1503 (b) The commission may condition, suspend or revoke a gaming license upon a finding
1504 that a licensee: (i) has committed a criminal or civil offense under this chapter or under any other
1505 laws of the commonwealth; (ii) is not in compliance with gaming regulations or is under criminal
1506 investigation in another jurisdiction; (iii) has breached a condition of licensure; (iv) has affiliates,
1507 close associates or employees that are not qualified or licensed under this chapter with whom the
1508 gaming licensee continues to conduct business or employ; (v) is no longer capable of
1509 maintaining operations at a gaming establishment; or (vi) whose business practice, upon a
1510 determination by the commission, is injurious to the policy objectives of this chapter.

1511 (c) Whenever any person contracts to transfer any property relating to an ongoing gaming
1512 establishment, including a security holding in a gaming licensee or holding or intermediary
1513 company, under circumstances which require that the transferee obtain licensure under this
1514 chapter, the contract shall not specify a closing or settlement date which is earlier than the 121
1515 days after the submission of a completed application for licensure or qualification, which
1516 application shall include a fully executed and approved trust agreement.

1517 The commission shall hold a hearing and render a decision on the interim authorization of
1518 the new applicant. If the commission grants interim authorization, then the closing or settlement
1519 may occur without interruption of operations of the gaming establishment. If the commission
1520 denies interim authorization, there shall be no closing or settlement until the commission makes
1521 a determination on the qualification of the applicant, and if the commission then denies
1522 qualification the contract shall thereby be terminated for all purposes without liability on the part
1523 of the transferor. The commission shall promulgate further regulations for interim authorization
1524 of a gaming establishment.

1525 (d) No person or affiliate shall be awarded, purchase or otherwise hold or have a financial
1526 interest in more than 1gaming license issued by the commission.

1527 Section 24. (a) An applicant for a gaming license shall maintain an existing racing facility
1528 on the premises; provided, however, that the gaming licensee shall conduct live horse racing of
1529 the same horse breed that raced at the existing facility under Chapter 128A in the year 2010 and
1530 shall increase the number of live racing days to a minimum of 125 days according to the
1531 following schedule: (i) in the first calendar year of operation, a gaming licensee shall hold 105
1532 racing days; (ii) in the second calendar year of operation, a gaming licensee shall hold 115 racing
1533 days; and (iii) in the third and subsequent calendar years of operation, a gaming licensee shall
1534 hold 125 racing days;

1535 (b) A gaming licensee may increase the number of live racing days if the gaming licensee
1536 is holding a minimum of 125 racing days within 3 years of receiving a gaming license. If a
1537 gaming licensee does not conduct live racing for the minimum number of days set forth in
1538 subsection (a), the commission shall suspend the gaming license.

1539 (c) After 3 years of operation of the gaming establishment and in consultation with the
1540 parties to the purse agreement, the commission may adjust the amount of required racing days at
1541 a gaming establishment based on fields, demand and racing performance.

1542 (d) A gaming licensee with a live racetrack shall have an annual purse agreement in
1543 effect by December 31 of each year for the following year's racing; provided, however, that if
1544 the parties to a purse agreement at a gaming establishment cannot in good faith negotiate an
1545 agreement by December 31, the purse agreement shall be arbitrated by the commission.

1546 Section 25. (a) No gaming licensee shall conduct gaming without an operations
1547 certificate issued by the commission. An operations certificate shall only be issued upon
1548 compliance with the requirements of this chapter including, but not limited to: (i) implementation
1549 of all management controls required by the commission including, without limitation, controls on
1550 accounting, wagering and auditing; (ii) implementation of all security precautions required by
1551 the commission; (iii) an up to date listing of all gaming employees; (iv) licensing or registering
1552 of all gaming employees; (v) the provision of office space at the gaming establishment for use by
1553 the commission employees; (vi) the hours of operation of the gaming establishment; and (vii)
1554 that its personnel and procedures are efficient and prepared to entertain the public.

1555 The operations certificate shall be conspicuously posted and shall state the number of slot
1556 machines, table games or other authorized games, if applicable.

1557 (b) A gaming licensee may operate a gaming establishment from 6:00 am to 5:59 am;
1558 provided, however, that the gaming establishment shall register its hours of operation with the
1559 commission.

1560 (c) Each gaming establishment shall arrange its gaming area in such a manner as to
1561 promote optimum security for the gaming establishment operations including, but not limited to:
1562 (i) a closed circuit television system according to specifications approved by the commission,
1563 with access on the licensed premises to the system or its signal provided to the commission; (ii)
1564 rooms or locations approved by the commission for use by commission employees; and (iii)
1565 design specifications that ensure that visibility in a gaming area is not obstructed in any way that
1566 might interfere with the ability of the commission or the division to supervise gaming
1567 establishment operations.

1568 (d) Each applicant for a gaming license shall submit to the commission: (i) a description
1569 of its minimum system of internal procedures and administrative and accounting controls for
1570 gaming and any simulcast wagering operations; (ii) a certification by the applicant's chief legal
1571 officer that the submitted procedures conform to this chapter and any regulations promulgated
1572 hereunder; and (iii) a certification by the applicant's chief financial officer that the submitted
1573 procedures provide adequate and effective controls, establish a consistent overall system of
1574 internal procedures and administrative and accounting controls and conform to generally
1575 accepted accounting principles and any additional standards required by the commission. Each
1576 applicant shall submit the above descriptions and certifications at least 30 business days before
1577 such operations are scheduled to commence unless otherwise directed by the commission;
1578 provided, however, that no gaming licensee shall commence gaming operations or alter its
1579 minimum internal controls until such system of minimum controls is approved by the
1580 commission. The commission shall establish regulations for the information required in the
1581 internal control submission.

1582 Any proposed changes to a gaming licensee's system of internal procedures and controls
1583 shall be submitted to the commission along with 2 new certifications from its chief legal and
1584 financial officers. If the commission does not object, the gaming licensee may make the
1585 proposed changes 15 business days after submitting a description of the changes to the
1586 commission.

1587 (e) Gaming equipment shall not be possessed, maintained or exhibited by any person on
1588 the premises of a gaming establishment except in a gaming area approved by the commission or
1589 in a restricted area used for the inspection, repair or storage of such equipment and specifically
1590 designated for that purpose; provided, however, that this subsection shall not apply to licensed

1591 gaming vendors who operate a warehouse, showroom or sales facility within the commonwealth
1592 subject to the approval of the commission.

1593 (f) Each gaming establishment shall contain a count room and such other secure facilities
1594 as may be required by the commission for the counting and storage of cash, coins, tokens,
1595 checks, plaques, gaming vouchers, coupons and other devices or items of value used in wagering
1596 and approved by the commission that are received in the conduct of gaming and for the
1597 inspection, counting and storage of dice, cards, chips and other representatives of value.

1598 (g) A dealer may accept tips or gratuities from a patron at the table game where such
1599 dealer is conducting play; provided, however, that such tips or gratuities shall be placed in a pool
1600 for distribution among other dealers. The commission shall determine how tips and gratuities
1601 shall be set aside for the dealer pool as well as the manner of distribution among dealers. No key
1602 gaming employee or any other gaming official who serves in a supervisory position shall solicit
1603 or accept a tip or gratuity from a player or patron in the gaming establishment where the
1604 employee is employed.

1605 (h) No person under the age of 21 shall be permitted to wager or be in a gaming area;
1606 provided, however, that a person 18 years or over of age who is a licensed employee of the
1607 gaming establishment may be in a gaming area if in the performance of the duties the employee
1608 is licensed to undertake.

1609 (i) No category 1 or category 2 licensee shall operate unless the gaming establishment
1610 manager or the manager's designee is on the premises and representatives of the commission are
1611 present at the gaming establishment.

1612 (j) Each gaming establishment shall file an emergency response plan with the fire
1613 department and police department of the host community which shall include, but not be limited
1614 to: (i) a layout identifying all areas within the facility and grounds, including support systems
1615 and the internal and external access routes; (ii) the location and inventory of emergency response
1616 equipment and the contact information of the emergency response coordinator for the gaming
1617 establishment; (iii) the location of any hazardous substances and a description of any public
1618 health or safety hazards present on site; (iv) a description of any special equipment needed to
1619 respond to an emergency at the gaming establishment; (v) an evacuation plan; and (vi) any other
1620 information relating to emergency response as requested by the commission, the fire department
1621 or the police department of the host community.

1622 Section 26. (a) Notwithstanding chapter 138 or any other general or special law or rule or
1623 regulation to the contrary, the commission may grant, upon request of an applicant for a gaming
1624 license, a gaming beverage license for the sale and distribution of alcoholic beverages to be
1625 drunk on the premises of a gaming establishment. The division of gaming liquor enforcement of
1626 the alcoholic beverage control commission shall have the authority to enforce, regulate and
1627 control the distribution of alcoholic beverages in a gaming establishment.

1628 (b) The fee for the gaming beverage license and any renewals of the license shall be
1629 determined by the commission. The application fee shall be remitted with the gaming
1630 application fee.

1631 (c) Notwithstanding any regulation to the contrary, a licensee under this section shall be
1632 permitted to distribute alcohol free of charge and for on-premise consumption to patrons in the
1633 gaming area or as a complimentary service or item in the gaming establishment; provided,

1634 however, that the commission, in consultation with the alcoholic beverages control commission,
1635 shall promulgate regulations on such distribution as well as the forms of identification that may
1636 be presented to the gaming licensee to demonstrate proof that a person has attained the age of 21;
1637 provided further, that such regulations shall include requirements relative to alcohol training
1638 certification for any employee who serves alcohol at the gaming establishment.

1639 (d) The request submitted to the commission for a gaming beverage license by an
1640 applicant for a gaming license shall detail all areas where alcoholic beverages will be served
1641 within the gaming establishment. In issuing a gaming beverage license, the commission shall
1642 describe the scope of the particular license and any restrictions and limitations; provided,
1643 however, that the gaming beverage license shall not permit the sale or distribution of alcoholic
1644 beverages between the hours of 2 a.m. and 8 a.m.

1645 (e) A gaming licensee shall be responsible for violations of the gaming beverage license
1646 in the gaming establishment. The commission may revoke, suspend, refuse to renew or refuse to
1647 transfer a gaming beverage license for violations of chapter 138 that pertain to the sale and
1648 distribution of alcohol drunk on-premises and the regulations adopted by the commission. If, at
1649 any time, a gaming licensee elects temporary suspension of their gaming license due to
1650 violations of this section, said gaming licensee shall owe the commonwealth the average tax on
1651 gross gaming revenue based on an appropriate period of time as determined by the commission
1652 for the number of days operation was suspended.

1653 (f) A gaming beverage license shall be nontransferable without prior approval from the
1654 commission. If the gaming beverage license is cancelled, revoked or no longer in use, it shall be
1655 returned physically, with all the legal rights, privileges and restrictions pertaining to the license,

1656 to the commission and the commission may then grant the license to a new gaming licensee
1657 under the same conditions as specified in this section.

1658 (g) A license granted under this section shall not decrease the number of such licenses
1659 authorized to be granted to the host community under chapter 138.

1660 Section 27. (a) A gaming licensee shall be permitted to issue credit to a patron of a
1661 gaming establishment in accordance with regulations promulgated by the commission. Such
1662 regulations shall include, but not be limited to: (i) procedures for confirming that a patron has an
1663 established credit history and is in good standing; (ii) whether the patron has a good credit
1664 history with the gaming establishment; (iii) authorization of any credit instrument; (iv) methods
1665 for acknowledging a credit instrument and payment of debt; and (v) information to be provided
1666 by the patron to the gaming establishment to be shared with the commission for auditing
1667 purposes.

1668 (b) Except as otherwise authorized by the commission through regulations under this
1669 chapter, no gaming establishment , nor any person acting on behalf of said gaming establishment
1670 shall cash any check, make any loan, or otherwise provide or allow to any person any credit or
1671 advance of anything of value, or which represents value, to enable any person to place a wager;
1672 or release or discharge any debt, either in whole or in part, or make any loan which represents
1673 any losses incurred by any player in gaming or simulcast wagering activity, without maintaining
1674 a written record of the release or discharge in accordance with the rules of the commission.
1675 Nothing in this section shall prohibit a gaming establishment from accepting credit cards for non-
1676 gaming related purchases or services.

1677 (c) Checks cashed in conformity with the requirements of this section shall be valid
1678 instruments enforceable under the laws of the commonwealth. Any check cashed, transferred,
1679 conveyed or given in violation of this section or regulations promulgated thereunder shall be
1680 invalid and unenforceable.

1681 (d) The commission shall establish procedures and standards for approving promotional
1682 gaming credits, provided, however, that no such credit shall be reported as a promotional gaming
1683 credit by an operator of a gaming establishment unless the operator can establish that the credit
1684 was issued by the gaming establishment and received from a patron as a wager at a slot machine
1685 in the gaming establishment, provided further, that such promotional gaming credit shall not be
1686 taxable for the purposes of determining gross revenue.

1687 (e) No person, other than a gaming licensee, shall issue credit to a patron in a gaming
1688 establishment.

1689 (f) The commission shall, in consultation with the department of transitional assistance,
1690 the department of labor and workforce development, the department of housing and community
1691 development or the applicable administering agency, establish by regulation procedures and
1692 standards to prohibit a gaming establishment or any person acting on behalf of a gaming
1693 establishment from: (i) cashing a government-issued check; (ii) from operating on its premises
1694 any credit card or ATM machine that would allow a patron to obtain cash from a government-
1695 issued Electronic Benefits Transfer Card; and (iii) from extending or issuing credit to a patron of
1696 a gaming establishment who receives any form of income-based public assistance including, but
1697 not limited to, the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy
1698 Families, Emergency Aid to Elders, Disabled and Children, public housing assistance,

1699 MassHealth and unemployment insurance. The procedures and standards established shall
1700 ensure the privacy of all patrons receiving public assistance.

1701 (g) A person may petition the commission to place the person's name on a list of persons
1702 to whom the extension of credit by a gaming establishment shall be prohibited. Any person filing
1703 such petition shall submit to the commission the person's name, address and date of birth. The
1704 person shall not be required to provide a reason for the request. The commission shall provide
1705 this list to the credit department of each gaming establishment; provided, however, that neither
1706 the commission nor the credit department of a gaming establishment shall divulge the names on
1707 this list to any person or entity other than those provided for in this subsection. If such a person
1708 wishes to have their name removed from the list, the person shall petition the commission in
1709 accordance with procedures for removal set forth by the commission. If the commission
1710 approves the request, the commission shall so inform the credit department of the gaming
1711 establishments no later than 7 days after approving the request.

1712 (h) Debt collections under this section and regulations promulgated thereunder shall be
1713 limited to key gaming employees or attorneys acting directly on behalf of gaming licensees;
1714 provided, further, that a key gaming employee shall be prohibited from making any such
1715 collections if they serve as a junket representative for the gaming licensee.

1716 Section 28. (a) No gaming licensee shall offer to provide any complimentary services,
1717 gifts, cash or other items of value to any person unless the complimentary item consists of a
1718 room, food, beverage, transportation or entertainment expenses provided directly to the patron
1719 and the patron's guests by the gaming licensee or indirectly to the patron and the patron's guests
1720 on behalf of a third party or the complimentary item consists of coins, tokens, cash or other

1721 complimentary items or services provided through a complimentary distribution program which
1722 shall be filed and approved by the commission upon the implementation of the program or
1723 maintained under regulation.

1724 (b) Gaming licensees shall submit quarterly reports to the commission covering all
1725 complimentary services offered or engaged in by the gaming licensee during the immediately
1726 preceding quarter. The reports shall identify regulated complimentary services and the costs of
1727 those services, the number of people who received each service or item and such other
1728 information as the commission may require. The report shall also document any services or
1729 items valued in excess of $2,000 that were provided to patrons, including detailed reasons as to
1730 why they were provided.

1731 (c) Complimentary services or items shall be valued in an amount based upon the retail
1732 price normally charged by the gaming licensee for the service or item. The value of a
1733 complimentary service or item not normally offered for sale by a gaming licensee or provided by
1734 a third party on behalf of a gaming licensee shall be the cost to the gaming licensee of providing
1735 the service or item, as determined under rules adopted by the commission.

1736 Section 29. A gaming establishment offering a cashless wagering system shall allow
1737 individuals to monitor and impose betting limits on their cashless wagering. The gaming
1738 establishment shall allow individuals to set betting limits on their cashless wagering including,
1739 but not limited to, per bet limits, hourly limits, daily limits, weekly limits and monthly limits. An
1740 individual may lower limits and increase limits; provided, that the individual shall not increase
1741 betting limits more than once in a 24 hour period. Upon request by an individual, the gaming
1742 establishment shall provide to that individual a statement of that individual's cashless wagering

1743 activity for any given time period including total bets, wins and losses. Activity under this
1744 section shall be monitored by the commission. Individuals on the list of excluded persons shall
1745 not be permitted to participate in a cashless wagering system.

1746 Section 30. (a) No person shall be employed by a gaming licensee unless such person has
1747 been licensed by or registered with the commission.

1748 (b) Any person seeking a key gaming employee license or a gaming employee license
1749 shall file an application with the bureau. Such application shall be on a form prescribed by the
1750 bureau and shall include, but shall not be limited to, the following: (i) the name of the applicant;
1751 (ii) the address of the applicant and place of permanent residency; (iii) a detailed employment
1752 history of the applicant; (iv) fingerprints; (v) a criminal and arrest record; and (vi) any civil
1753 judgments obtained against the applicant pertaining to antitrust or security regulation. The
1754 bureau may require such other information as it considers appropriate including, but not limited
1755 to, information related to the financial integrity of the applicant and may require the applicant to
1756 submit other documentation it considers appropriate including, but not limited to, bank accounts
1757 and records, bank references, business and personal income and disbursement schedules, tax
1758 returns and other reports filed by government agencies and business and personal accounting
1759 check records and ledgers.

1760 (c) All other employees in a gaming establishment who are not considered to be gaming
1761 employees, key gaming employees or who have restricted access to an area of the gaming
1762 establishment or knowledge of security procedures, shall be required to register with the bureau
1763 as a gaming service employee and shall produce such information as the bureau may require to
1764 become registered under this chapter.

1765 (d) Upon receipt of an application for a key gaming employee license and a gaming
1766 employee license the bureau shall conduct an investigation of each applicant which shall include
1767 obtaining criminal offender record information from the criminal history systems board as well
1768 as exchanging fingerprint data and criminal history with the state police and the United States
1769 Federal Bureau of Investigation.

1770 (e) Upon petition by a gaming licensee, the commission may issue a temporary license to
1771 an applicant for a key gaming employee license or a gaming employee license provided that: (i)
1772 the applicant for a key gaming employee license or gaming employee license has filed a
1773 complete application with the commission; and (ii) the gaming licensee certifies, and the
1774 commission finds, that the issuance of a temporary license is necessary for the operation of the
1775 gaming establishment and is not designed to circumvent the normal licensing procedures.

1776 Unless otherwise stated by the commission, a temporary license issued under this section
1777 shall expire 6 months from the date of its issuance and may be renewed, at the discretion of the
1778 commission, for an additional 6 month period.

1779 (f) The commission may deny any application for a key gaming employee or gaming
1780 employee license or the registration of any other employee of a gaming establishment if the
1781 commission finds that an applicant or registrant is disqualified under section 16 or may be
1782 unsuitable for licensure under any of the criteria set forth in section 12; provided, however, that
1783 the commission, in its discretion, may issue a license to an applicant for a gaming employee
1784 license or register a gaming service employee who has a prior conviction if the applicant or
1785 registrant can affirmatively demonstrate the applicant's rehabilitation. In considering the
1786 rehabilitation of an applicant for a license under this section, the commission shall consider the

1787 following: (i) the nature and duties of the position of the applicant; (ii) the nature and seriousness
1788 of the offense or conduct; (iii) the circumstances under which the offense or conduct occurred;
1789 (iv) the date of the offense or conduct; (v) the age of the applicant when the offense or conduct
1790 was committed; (vi) whether the offense or conduct was an isolated or repeated incident; (vii)
1791 any social conditions which may have contributed to the offense or conduct; and (viii) any
1792 evidence of rehabilitation, including recommendations and references of persons supervising the
1793 applicant since the offense or conduct was committed.

1794 (g) After completing an investigation of an applicant for a key gaming employee or
1795 gaming employee license the bureau shall approve or deny the license. Any orders by the bureau
1796 denying an application under this section shall be accompanied with an explanation of why an
1797 applicant did not meet the qualifications for licensure under this chapter. An applicant for a key
1798 gaming employee or gaming employee license may request a hearing before the bureau to
1799 contest the findings. After the hearing the applicant may appeal the decision of the bureau to the
1800 commission and the commission may hear the appeal on the record. The decision of the
1801 commission shall be final and applicants for a key gaming employee or gaming employee license
1802 shall not be entitled to further review.

1803 (h) The commission shall be authorized to condition, suspend or revoke any license or
1804 registration under this section if the commission finds that a licensee or registrant has: (i) been
1805 arrested or convicted of a crime while employed by a gaming establishment and failed to report
1806 charges or the conviction to the commission; (ii) failed to comply with the requirements of
1807 section 14; or (iii) failed to comply with any of the requirements of this chapter pertaining to
1808 licensees.

1809 (i) The commission shall establish fees for a key gaming employee and a gaming
1810 employee license which shall include costs incurred for conducting a background investigation
1811 into an applicant for a license. The commission shall establish the term of a key gaming
1812 employee and a gaming employee license. It shall be the responsibility of any key gaming
1813 employee or gaming employee to ensure that the employee's license is current.

1814 Section 31. (a) No person shall conduct a business with a gaming licensee unless such
1815 person has been licensed or registered with the commission.

1816 (b) Any person seeking a gaming vendor license shall file an application with the bureau.
1817 Such application shall be on a form prescribed by the commission and shall include, but shall not
1818 be limited to, the following: (i) the name of the applicant; (ii) the post office address and if a
1819 corporation, the name of the state under the laws of which it is incorporated, the location of its
1820 principal place of business and the names and addresses of its directors and stockholders; (iii) a
1821 criminal and arrest record; (iv) any civil judgments obtained against the person pertaining to
1822 antitrust or security regulation; (v) the identity of every person having a direct or indirect interest
1823 in the business, and the nature of such interest; provided further, that if the disclosed entity is a
1824 trust, the application shall disclose the names and addresses of all beneficiaries; provided further,
1825 that if the disclosed entity is a partnership, the names and addresses of all partners, both general
1826 and limited; and provided further, that if the disclosed entity is a limited liability company, the
1827 names and addresses of all members; (vi) an independent audit report of all financial activities
1828 and interests including, but not limited to, the disclosure of all contributions, donations, loans or
1829 any other financial transactions to or from any gaming entity or operator in the past 5 years; and
1830 (vii) clear and convincing evidence of financial stability including, but not limited to, bank
1831 references, business and personal income and disbursement schedules, tax returns and other

1832 reports filed by government agencies and business and personal accounting check records and
1833 ledgers. The commission may require such other information as it considers appropriate
1834 including, but not limited to, information related to the financial integrity of the applicant and
1835 may require the applicant to submit other documentation it considers appropriate including, but
1836 not limited to, bank accounts and records, bank references, business and personal income and
1837 disbursement schedules, tax returns and other reports filed by government agencies and business
1838 and personal accounting check records and ledgers.

1839 (c) No person shall manufacture, sell, distribute, test or repair slot machines, other than
1840 antique slot machines as defined in section 5A of chapter 271, without a valid gaming vendor
1841 license issued by the commission.

1842 (d) All other suppliers or vendors who are not considered to be gaming vendors
1843 including, but not limited to, construction companies, vending machine providers, linen
1844 suppliers, garbage handlers, maintenance companies, limousine services, food purveyors or
1845 suppliers of alcoholic beverages, shall be considered non-gaming vendors and shall be required
1846 to register with the commission and shall produce such information as the commission may
1847 require; provided, however, that the commission may require any vendor regularly conducting
1848 over $250,000 of business with a gaming licensee within a 12-month period or $100,000 of
1849 business within a 3-year period to be licensed as a gaming vendor.

1850 (e) Any person owning more than 5 per cent of the common stock of a company required
1851 to be licensed as a gaming vendor, or a holding, intermediary or subsidiary of such company,
1852 shall be required to file for licensure. The commission may waive the licensing requirements for
1853 institutional investors holding up to 15 per cent of the stock of the company, or holding,

1854 intermediary or subsidiary company of the such company, upon a showing by the person seeking
1855 the waiver that the applicant purchased the securities for investment purposes only and does not
1856 have any intention to influence or affect the affairs or operations of the company or a holding,
1857 intermediary or subsidiary of the such company. Any institutional investor granted a waiver
1858 which subsequently determines to influence or affect the affairs or operations of the gaming
1859 vendor, or a holding, intermediary or subsidiary of the gaming vendor, shall provide not less than
1860 30 days notice to the commission of such intent and shall file an application and be subject to the
1861 licensing requirements of this chapter before taking any action that may influence or affect the
1862 affairs of the applicant company or a holding, intermediary or subsidiary of the applicant
1863 company. Any company holding over 15 per cent of a gaming vendor, or a holding,
1864 intermediary or subsidiary of a gaming vendor, shall be licensed under this chapter.

1865 (f) If an applicant for a gaming vendor license or vendor or supplier registration is
1866 licensed or registered in another jurisdiction within the United States with comparable license
1867 and registration requirements and is in good standing in all the jurisdictions in which it holds a
1868 license or registration, the commission may enter into a reciprocal agreement with the applicant
1869 to allow for an abbreviated licensing or registration process and issue a gaming vendor license or
1870 registration under this section; provided, however, that the commission shall reserve its rights to
1871 investigate the qualifications of an applicant at any time and may require the applicant to submit
1872 to a full application for a gaming vendor license or provide further information for registration.

1873 (g) The bureau shall deny any application for a gaming vendor license or the registration
1874 of any other vendor or supplier if the bureau finds that any applicant or registrant is disqualified
1875 under section 16 or may be unsuitable for licensure under any of the criteria set forth in section
1876 12.

1877 (h) After completing an investigation of an applicant for a gaming vendor license, the
1878 bureau shall approve or deny the license. Any orders by the bureau denying an application under
1879 this section shall be accompanied with an explanation of why an applicant did not meet the
1880 qualifications for licensure under this section. An applicant for a gaming vendor license may
1881 request a hearing before the bureau to contest the findings. After the hearing the applicant may
1882 appeal the decision of the bureau to the commission and the commission may hear the appeal on
1883 the record. The decision of the commission shall be the final and applicants for a gaming vendor
1884 license shall not be entitled to further review.

1885 (i) The commission shall be authorized to condition, suspend or revoke any license or
1886 registration under this section if the commission finds that a licensee or registrant has: (i) been
1887 arrested or convicted of a crime; (ii) failed to comply with section 13; or (iii) failed to comply
1888 with any provision of this chapter pertaining to licensees.

1889 (j) The commission shall establish a master gaming or non-gaming vendor list to monitor
1890 all vendor contracts with a gaming establishment. Any gaming or non-gaming vendor doing
1891 business with a gaming establishment who has failed to submit an application for licensure or
1892 registration shall be prohibited from engaging in any future business with a gaming
1893 establishment; provided, however, that the commission may terminate any contract that has been
1894 entered into with an unlicensed or unregistered gaming or non-gaming vendor.

1895 (k) Gaming licensees shall have a continuing duty to inform the commission of all vendor
1896 contracts.

1897 (l) A license or registration issued under this section shall be issued for a term of 3 years.
1898 It shall be the responsibility of the gaming vendor or non-gaming vendor to ensure that the
1899 license is current.

1900 (m) The commission shall establish fees for gaming vendor licenses and non-gaming
1901 vendor registrations which shall include costs incurred for conducting a background
1902 investigation into an applicant for the license.

1903 (n) The commission shall monitor the conduct of all gaming vendors and other persons
1904 having a material involvement, directly or indirectly, with a gaming vendor to ensure that
1905 gaming vendor licenses are not issued to, or held by, and there is no direct or indirect material
1906 involvement with, a gaming vendor by unqualified, disqualified or unsuitable persons.

1907 Section 32. (a) Each labor organization, union or affiliate seeking to represent employees
1908 who are employed at a gaming establishment shall register with the commission.

1909 (b) Neither a labor organization, nor its officers who are not otherwise licensed or
1910 registered under this chapter, may hold any financial interest in a gaming establishment whose
1911 employees are represented by the organization.

1912 Section 33. (a) No junkets may be organized or permitted and no person may act as a
1913 junket representative or junket enterprise except as authorized by the commission under this
1914 chapter.

1915 (b) A junket representative employed by a gaming licensee or affiliate of a gaming
1916 licensee shall be licensed as a gaming employee including provisions for the issuance of a
1917 temporary license; provided, however, that the junket representative need not be a resident of the

1918 commonwealth. A person who holds a valid gaming employee license may act as a junket
1919 representative while employed by a gaming licensee or an affiliate. No gaming licensee shall
1920 employ or otherwise engage a junket representative who is not licensed under this chapter.

1921 (c) The commission shall deny an application for a license under this section if the
1922 commission finds that an applicant is disqualified under section 16 or may be unsuitable for
1923 licensure under any of the criteria set forth in section 12.

1924 (d) Each gaming licensee, junket representative or junket enterprise shall file a report
1925 with the bureau with respect to each list of junket patrons or potential junket patrons purchased
1926 directly or indirectly by the gaming licensee, junket representative or enterprise.

1927 (e) No junket enterprise or junket representative or person acting as a junket
1928 representative shall: (i) engage in efforts to collect upon checks that have been returned by banks
1929 without full and final payment; (ii) exercise approval authority with regard to the authorization or
1930 issuance of credit under this chapter; (iii) act on behalf of or under any arrangement with a
1931 gaming licensee or a gaming patron with regard to the redemption, consolidation or substitution
1932 of the gaming patron's checks awaiting deposit; (iv) individually receive or retain any fee from a
1933 patron for the privilege of participating in a junket; or (v) pay for any services, including
1934 transportation, or other items of value provided to, or for the benefit of, any patron participating
1935 in a junket.

1936 Section 34. (a) Upon revocation or suspension of a gaming license or upon the failure or
1937 refusal to renew a gaming license the commission may appoint a conservator to temporarily
1938 manage and operate the business of the gaming licensee relating to the gaming establishment.
1939 Such conservator shall be a person of similar experience in the field of gaming management and,

1940 in the case of replacing a gaming licensee, shall have experience operating a gaming
1941 establishment of similar caliber in another jurisdiction, and shall be in good standing in all
1942 jurisdictions in which the conservator operates operate any gaming establishment. Upon
1943 appointment, a conservator shall agree to all licensing provisions of the former gaming licensee.

1944 (b) A conservator shall, before assuming , managerial or operational duties, execute and
1945 file a bond for the faithful performance of such duties payable to the commission with such
1946 surety and in such form and amount as the commission shall approve.

1947 (c) The commission shall require that the former or suspended gaming licensee purchase
1948 liability insurance, in an amount determined by the commission, to protect a conservator from
1949 liability for any acts or omissions of the conservator during the conservator's appointment which
1950 are reasonably related to, and within the scope of the conservator's duties.

1951 (d) During the period of temporary management of the gaming establishment, the
1952 commission shall initiate proceedings under this chapter to award a new gaming license to a
1953 qualified applicant whose gaming establishment shall be located at the site of the preexisting
1954 gaming establishment.

1955 (e) Applicants for a new gaming license shall be qualified for licensure under this
1956 chapter; provided, however, that the commission shall determine an appropriate level of
1957 investment by an applicant into the preexisting gaming establishment.

1958 (f) Upon award of a new gaming license, the new gaming licensee shall pay the original
1959 licensing fee required under this chapter.

1960 Section 35. (a) The bureau shall have the authority to issue orders requiring persons to
1961 cease any activity which violates this chapter, a regulation adopted hereunder or any law related
1962 to gaming in the commonwealth. The bureau may, in its order, require compliance with such
1963 terms and conditions as are reasonably necessary to effectuate the purposes of this chapter.

1964 (b) If the bureau finds that a person is not in compliance with any order issued under this
1965 section, it shall assess a civil administrative penalty. The penalty may be assessed whether or not
1966 the violation was willful. In determining the amount of the civil penalty, the bureau shall
1967 consider: (i) the nature of the violation; (ii) the length of time the violation occurred; (iii) the risk
1968 to the public and to the integrity of gaming operations created by the conduct of the person; (iv)
1969 the seriousness of the conduct of the person; (v) any justification or excuse for such conduct by
1970 the person; (vi) the prior history of the particular person involved with respect to gaming
1971 activity; (vii) any corrective action taken by the person to prevent future misconduct; and (viii)
1972 and other relevant factors.

1973 (c) In addition to collecting any civil penalties recoverable under this chapter or any other
1974 general or special law, the bureau may bring an action in the superior court to restrain, prevent or
1975 enjoin any conduct prohibited by this chapter or to compel action to comply immediately and
1976 fully with any order issued by the bureau. Except in cases of emergency where, in the opinion of
1977 the court, immediate abatement of the unlawful conduct is required to protect the public interest,
1978 the court may in its decree fix a reasonable time during which the person responsible for the
1979 unlawful conduct may abate and correct the violation. The expense of the proceeding shall be
1980 recoverable from the subject of the proceeding.

1981 (d) Upon a recommendation from the bureau, the commission shall issue orders to
1982 condition, suspend or revoke a license or permit issued under this chapter.

1983 (e) The bureau shall issue an order to cease and desist any activity if the bureau finds that
1984 a licensee has engaged in or is about to engage in an act or practice which constitutes a violation
1985 of this chapter or laws of the commonwealth and may take such affirmative action to effectuate
1986 the order. If the bureau finds that the licensee is engaged in an act or practice that would cause
1987 irreparable harm to the security and integrity of the gaming establishment or the interests of the
1988 commonwealth in ensuring the security and integrity of gaming under this chapter, the bureau
1989 may issue a temporary suspension of the license.

1990 (f) Any licensee who has been issued a temporary order of suspension by the bureau shall
1991 be entitled to a hearing before the commission on such suspension within 7 days that the order
1992 was issued. At the conclusion of the hearing, the commission may issue a final order to
1993 condition, suspend or revoke the license in question.

1994 (g) A licensee shall have the right to an adjudicatory hearing on an order issued by the
1995 bureau under chapter 30A.

1996 Section 36. (a) The bureau may assess a civil administrative penalty on a licensee or
1997 registrant who fails to comply with any provision of this chapter or any regulation or order
1998 adopted by the commission; provided, however, that such noncompliance occurred after the
1999 bureau had given such person written notice of such noncompliance and the time stated in the
2000 notice for coming into compliance had elapsed; provided, however, that the bureau may assess
2001 such penalty without providing such written notice if such failure to comply: (i) was part of a
2002 pattern of noncompliance and not an isolated instance; (ii) was willful or neglectful and not the

2003 result of error; (iii) resulted in a significant breach to the integrity of the gaming establishment or
2004 gaming laws of the commonwealth; and (iv) consisted of failure to promptly report to the
2005 commission any knowledge of evidence or circumstances that would cause a reasonable person
2006 to believe that a violation of this chapter had been committed. The civil administrative penalty
2007 shall be in addition to any other civil penalty that may be prescribed by law.

2008 (b) For the purpose of determining whether such noncompliance was part of a pattern of
2009 noncompliance and not an isolated instance, the bureau shall consider without limitation the
2010 following: (i) whether the bureau had previously notified the person of such noncompliance on
2011 more than one occasion during the previous month or of any noncompliance with the same
2012 provision of a law, regulation, order, license or approval as the current noncompliance during the
2013 previous 6 month period; or (ii) whether the current and previous noncompliances, considered
2014 together, indicate a potential threat to the integrity of the gaming establishment and gaming in
2015 the commonwealth or an interference with the commission's ability to efficiently and effectively
2016 regulate gaming in the commonwealth and enforce any regulation, license or order. If a licensee
2017 or registrant who has received a notice of noncompliance fails to come into compliance within
2018 the time period stated in such notice, the civil administrative penalty may be assessed by the
2019 bureau upon such licensee or registrant from the date of receipt of such notice.

2020 (c) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
2021 registrant, the bureau shall cause to be served upon such licensee or registrant, either by service,
2022 in hand, or by certified mail, return receipt requested, a written notice of its intent to assess a
2023 civil administrative penalty which shall include a concise statement of the alleged act or
2024 omission for which such civil administrative penalty is sought to be assessed, each law,
2025 regulation, order, license or approval which has not been complied with as a result of such

2026 alleged act or omission, the amount which the bureau seeks to assess as a civil administrative
2027 penalty for each such alleged act or omission, a statement of such licensee's or registrant's right
2028 to an adjudicatory hearing on the proposed assessment, the requirements such licensee or
2029 registrant must comply with to avoid being deemed to have waived the right to an adjudicatory
2030 hearing and the manner of payment thereof if such person elects to pay the penalty and waive an
2031 adjudicatory hearing. After written notice of noncompliance or intent to assess a civil
2032 administrative penalty has been given, each such day thereafter during which such
2033 noncompliance occurs or continues shall constitute a separate offense and shall be subject to a
2034 separate civil administrative penalty if reasonable efforts have not been made to promptly come
2035 into compliance.

2036 (d) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
2037 registrant, such licensee or registrant shall have the right to an adjudicatory hearing under
2038 chapter 30A whose provisions shall apply except when they are inconsistent with the provisions
2039 of this chapter.

2040 (e) Such licensee or registrant shall be deemed to have waived such right to an
2041 adjudicatory hearing unless, within 21 days of the date of the bureau's notice that it seeks to
2042 assess a civil administrative penalty, such licensee or registrant files with the bureau a written
2043 statement denying the occurrence of any of the acts or omissions alleged by the bureau in such
2044 notice, or asserting that the money amount of the proposed civil administrative penalty is
2045 excessive. In any adjudicatory hearing authorized under chapter 30A, the bureau shall, by a
2046 preponderance of the evidence, prove the occurrence of each act or omission alleged by the
2047 bureau.

2048 (f) If a licensee or registrant waives the right to an adjudicatory hearing, the proposed
2049 civil administrative penalty shall be final immediately upon such waiver. If a civil
2050 administrative penalty is assessed at the conclusion of an adjudicatory hearing, said civil
2051 administrative penalty shall be final upon the expiration of 30 days if no action for judicial
2052 review of such decision is commenced under chapter 30A.

2053 (g) Any licensee or registrant who institutes proceedings for judicial review of the final
2054 assessment of a civil administrative penalty shall place the full amount of the final assessment in
2055 an interest-bearing escrow account in the custody of the clerk or magistrate of the reviewing
2056 court. The establishment of such an interest-bearing escrow account shall be a condition
2057 precedent to the jurisdiction of the reviewing court unless the party seeking judicial review
2058 demonstrates in a preliminary hearing held within 20 days of the filing of the complaint either
2059 the presence of a substantial question for review by the court or an inability to pay. Upon such a
2060 demonstration, the court may grant an extension or waiver of the interest-bearing escrow account
2061 or may require, in lieu of such interest-bearing escrow account, the posting of a bond payable
2062 directly to the commonwealth in the amount of 125 per cent of the assessed penalty. If, after
2063 judicial review, in a case where the requirement for an escrow account has been waived, and in
2064 cases where a bond has been posted in lieu of such requirement, the court affirms, in whole or in
2065 part, the assessment of a civil administrative penalty the commission shall be paid the amount
2066 thereof together with interest at the rate provided in section 6C of chapter 231. If, after such
2067 review in a case where an interest-bearing escrow account has been established, the court affirms
2068 the assessment of such penalty, in whole or in part, the commission shall be paid the amount
2069 thereof together with the accumulated interest in the interest-bearing escrow account. If the court
2070 sets aside the assessment of a civil administrative penalty in a case where the amount of such

2071 penalty has been deposited in an interest-bearing escrow account, the licensee or registrant on
2072 whom the civil administrative penalty was assessed shall be repaid the amount so set aside,
2073 together with the accumulated interest thereon.

2074 (h) Each licensee or registrant who fails to pay a civil administrative penalty on time, and
2075 each person who issues a bond under this section and who fails to pay to the commission on time
2076 the amount required hereunder, shall be liable to the commonwealth for up to 3 times the amount
2077 of the civil administrative penalty, together with costs, plus interest from the time the civil
2078 administrative penalty became final and attorneys' fees, including all costs and attorneys' fees
2079 incurred directly in the collection thereof. The rate of interest shall be the rate provided in section
2080 6C of chapter 231. The bureau shall be authorized to require that the amount of a civil
2081 administrative penalty imposed under this section exceed any economic benefit realized by a
2082 person for noncompliance.

2083 Section 37. (a) Whoever conducts or operates, or permits to be conducted or operated,
2084 any game or gaming device in violation of this chapter or the regulations adopted under this
2085 chapter shall be punished by imprisonment in the state prison for not more than 5 years or
2086 imprisonment in the house of correction for not more than 2½ years, or by a fine not to exceed
2087 $25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed
2088 $100,000.

2089 (b) Whoever employs, or continues to employ, an individual in a position, the duties of
2090 which require a license or registration under this chapter, who is not so licensed or registered,
2091 shall be punished by imprisonment in the house of correction for not more than 6 months or by a

2092 fine not to exceed $10,000, or both, and in the case of a person other than a natural person, by a
2093 fine not to exceed $100,000.

2094 (c) Whoever works or is employed in a position, the duties of which require licensing or
2095 registration under this chapter, without the required license or registration, shall be punished by
2096 imprisonment in the house of correction for not more than 6 months or a fine not to exceed
2097 $10,000, or both.

2098 (d) A gaming licensee who, without the permission of the commission: (i) places a game
2099 or gaming device into play or displays a game or gaming device in a gaming establishment; or
2100 (ii) receives, directly or indirectly, any compensation or reward or any percentage or share of the
2101 revenue for keeping, running or carrying on a game, or owning the real property upon, or the
2102 location within which any game occurs, shall be punished by imprisonment in the house of
2103 correction for not more than 2½ years or by a fine not to exceed $25,000, or both, and in the case
2104 of a person other than a natural person, by a fine not to exceed $100,000.

2105 (e) Whoever conducts or operates any game or gaming device after the person's gaming
2106 license has expired and prior to the actual renewal of the gaming license shall be punished by
2107 imprisonment in the house of correction for not more than 1½ years or a fine not to exceed
2108 $25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed
2109 $100,000.

2110 (f) A gaming licensee who knowingly fails to exclude from the licensee's gaming
2111 establishment any person placed by the commission on the list of excluded persons shall be
2112 punished by a fine not to exceed $5,000 or by imprisonment in the house of correction for not

2113 more than 1 year, or both, and in the case of a person other than a natural person, by a fine not to
2114 exceed $100,000.

2115 (g) Whoever willfully: (i) fails to report, pay or truthfully account for and pay over a
2116 license fee or tax imposed by this chapter or by the regulations adopted under this chapter; or (ii)
2117 evades or defeats, or attempts to evade or defeat, a license fee or tax or payment of a license fee
2118 or tax shall be punished by imprisonment in the state prison for not more than 5 years or in the
2119 house of correction for not more than 2½ years or a fine not to exceed $100,000, or both, and in
2120 the case of a person other than a natural person, by a fine not to exceed $5,000,000.

2121 Section 38. Whoever willfully resists, prevents, impedes, interferes with or makes any
2122 false, fictitious or fraudulent statement or representation to the bureau, commission or division or
2123 to agents or employees of the bureau, commission or division in the lawful performance of the
2124 agent's or employee's duties under this chapter shall be punished by imprisonment in the state
2125 prison for not more than 5 years or in the house of correction for not more than 2½ years or by a
2126 fine not to exceed $25,000, or both.

2127 Section 39. (a) Whoever, during a game in a gaming establishment, knowingly and by
2128 any trick or sleight of hand performance or by a fraud or fraudulent scheme, cards, dice or other
2129 gaming device, for himself, for another or for a representative of either: (i) wins, or attempts to
2130 win, money or property; or (ii) reduces, or attempts to reduce, a losing wager in a gaming
2131 establishment shall be guilty of cheating and swindling.

2132 (b) Whoever knowingly uses a cheating and swindling device or game in a gaming
2133 establishment shall be guilty of cheating and swindling.

2134 (c) Whoever commits the offense of cheating and swindling shall be punished as follows:

2135 (i) if the value of the money, property or wager cheated and swindled is $75,000 or more,
2136 by imprisonment in the state prison for not more than 10 years or in the house of correction for
2137 not more than 2½ years or by a fine not to exceed $1,000,000, or both, and in the case of a
2138 person other than a natural person, by a fine not to exceed $10,000,000;

2139 (ii) if the value of the money, property or wager cheated and swindled is $10,000 or more
2140 but less than $75,000, by imprisonment in the state prison for not more than 5 years or in the
2141 house of correction for not more than 2½ years or by a fine not to exceed $500,000, or both, and
2142 in the case of a person other than a natural person, by a fine not to exceed $5,000,000;

2143 (iii) if the value of the money, property or wager cheated and swindled is $1,000 or more
2144 but less than $10,000, by imprisonment in the state prison for not more than 3 years or in the
2145 house of correction for not more than 2½ years or by a fine not to exceed $100,000, or both, and
2146 in the case of a person other than a natural person, by a fine not to exceed $1,000,000;

2147 (iv) if nothing of value was obtained in violation of this subsection or if the value of the
2148 money, property or wager cheated and swindled is less than $1,000, by imprisonment in the
2149 house of correction for not more than 2½ years or by a fine not to exceed $10,000, or both, and
2150 in the case of a person other than a natural person, by a fine not to exceed $100,000.

2151 (d) Each episode or transaction of swindling and cheating may be the subject of a
2152 separate prosecution and conviction. In the discretion of the commonwealth, multiple episodes
2153 or transactions of swindling and cheating committed as part of a single scheme or course of
2154 conduct may be treated as a single offense and the amounts involved in acts of swindling and
2155 cheating committed according to a scheme or course of conduct, whether by the same person or

2156 several persons, may be aggregated in determining the value of money, property or wager
2157 involved in the offense.

2158 (e) A gaming licensee, or an employee of a gaming licensee, who, in a gaming
2159 establishment, knowingly: (i) conducts or operates any game using a cheating and swindling
2160 device or game; (ii) displays for play a cheating and swindling game; or (iii) permits to be
2161 conducted, operated or displayed, any cheating and swindling device or game shall be punished
2162 by imprisonment in the state prison for not more than 5 years or imprisonment in the house of
2163 correction for not more than 2½ years, or by a fine not to exceed $25,000, or both, and in the
2164 case of a person other than a natural person, by a fine not to exceed $100,000.

2165 Section 40. (a) Whoever possesses a cheating and swindling device or game, with the
2166 intent to defraud, cheat or steal, shall be punished by imprisonment in the house of correction for
2167 not more than 2½ years or by a fine not to exceed $10,000, or both, and in the case of a person
2168 other than a natural person, by a fine not to exceed $100,000.

2169 (b) Possession of a cheating and swindling device or game within a gaming establishment
2170 shall constitute prima facie evidence of an intent to defraud, cheat or steal, except possession by
2171 a gaming licensee or an employee of a gaming licensee, acting lawfully in furtherance of such
2172 person's employment within the gaming establishment, shall be punished by imprisonment in the
2173 house of correction for not more than 2½ years or a fine not to exceed $10,000, or both.

2174 Section 41. Whoever manufactures, distributes, sells or services a gaming device, in
2175 violation of this chapter or regulations adopted under this chapter and for the purpose of
2176 defrauding, cheating or stealing from a person playing, operating or conducting a game in a
2177 gaming establishment, shall be punished by imprisonment in the state prison for not more than 5

2178 years or imprisonment in the house of correction for not more than 2½ years or by a fine not to
2179 exceed $25,000, or both, and in the case of a person other than a natural person, by a fine not to
2180 exceed $150,000.

2181 Section 42. Any device, game or gaming device possessed, used, manufactured,
2182 distributed, sold or serviced in violation of this chapter shall be subject to seizure and forfeiture
2183 by the division or bureau. Forfeiture proceedings shall be conducted as provided in subsections
2184 (b) to (j), inclusive, of section 47 of chapter 94C. For purposes of subsection (d) of said section
2185 47 of said chapter 94C, the commission shall be considered a police department, entitled to a
2186 police department's distribution of forfeiture proceedings.

2187 Section 43. (a) Whoever, being under 21 years old, plays, places wagers at or collects
2188 winnings from, whether personally or through an agent, a game in a gaming establishment shall
2189 be punished by imprisonment in the house of correction for not more than 6 months or a fine not
2190 to exceed $1,000, or both.

2191 (b) Whoever, being a gaming licensee or an employee of a gaming licensee, who
2192 knowingly allows a person under the age of 21 to play, place wagers at, or collect winnings from
2193 a game in a gaming establishment, whether personally or through an agent, shall be punished, for
2194 a first offense, by imprisonment in the house of correction for not more than 1 year or a fine not
2195 to exceed $10,000, or both, and in the case of a person other than a natural person, by a fine not
2196 to exceed $500,000 and, for a second or subsequent offense, by imprisonment in the house of
2197 correction for not more than 2 years or a fine not to exceed $50,000, or both, and in the case of a
2198 person other than a natural person, by a fine not to exceed $1,000,000.

2199 Section 44. All penalties collected under this chapter shall be deposited into the Gaming
2200 Revenue Fund established under this chapter.

2201 Section 45. (a) The commission, by regulation, shall provide for the establishment of a
2202 list of excluded persons who are to be excluded from a gaming establishment. In determining
2203 the list of excluded persons, the commission may consider, but shall not be limited to: (i)
2204 whether a person has been convicted of a criminal offense under the laws of any state or the
2205 United States that is punishable by more than 6 months in a state prison, a house of correction or
2206 any comparable incarceration, a crime of moral turpitude or a violation of the gaming laws of
2207 any state; (ii) whether a person has violated or conspired to violate this chapter relating to:
2208 (A)failure to disclose an interest in a gaming establishment for which the person is required to
2209 obtain a license; or (B) willful evasion of fees or taxes; (iii) whether a person has a notorious or
2210 unsavory reputation which would adversely affect public confidence and trust that the gaming
2211 industry is free from criminal or corruptive elements; and (iv) the potential of injurious threat to
2212 the interests of the commonwealth in the gaming establishment.

2213 (b) No person shall be placed on the list of excluded persons due to race, color, religion,
2214 national origin, ancestry, sexual orientation, disability or sex.

2215 (c) The commission may revoke, limit, condition, suspend or fine a gaming establishment
2216 if such establishment knowingly or recklessly fails to exclude or eject from its premises any
2217 person placed by the commission on the list of excluded persons.

2218 (d) Whenever the commission places a name on the list of excluded persons, the
2219 commission shall serve written notice upon that person by personal service, registered or

2220 certified mail return receipt requested to the last ascertainable address, or by publication in a
2221 daily newspaper of general circulation for 1 week.

2222 (e)(1) Within 30 days of receipt of service by mail or 60 days after the last publication
2223 under subsection (d), a person placed on the list of excluded persons may request an adjudicatory
2224 hearing before the commission under chapter 30A and show cause as to why the person should
2225 be removed from the list of excluded persons. Failure to demand a hearing within the time
2226 allotted in this section shall preclude the person from having an administrative hearing, but in no
2227 way affect the person's right to petition for judicial review.

2228 (2) Upon receipt of a demand for hearing, the commission shall set a time and place for
2229 the hearing. This hearing shall be held not later than 30 days after receipt of the demand for the
2230 hearing, unless the time of the hearing is changed by agreement of the commission and the
2231 person demanding the hearing.

2232 (3) If, upon completion of the hearing, the commission determines that the person was
2233 wrongfully placed on the list of excluded persons, the commission shall remove the person's
2234 name from the list of excluded persons and notify all gaming licensees. A person aggrieved by a
2235 final decision of the commission in an adjudicatory proceeding under this section may petition
2236 for judicial review under section 14 of chapter 30A.

2237 (f) The commission shall establish a list of self-excluded persons from gaming
2238 establishments. A person may request such person's name to be placed on the list of self-
2239 excluded persons by filing a statement with the commission acknowledging that the person is a
2240 problem gambler and by agreeing that, during any period of voluntary exclusion, the person may
2241 not collect any winnings or recover any losses resulting from any gaming activity at a gaming

2242 establishment. The commission shall adopt further regulations, under section 5, for the self-
2243 excluded persons list including procedures for placement, removal and transmittal of such list to
2244 gaming establishments.

2245 (g) Gaming establishments shall not market to persons on any excluded persons list and
2246 shall deny access to complimentaries, check cashing privileges, club programs and other similar
2247 benefits to persons on the self-excluded persons list.

2248 (h) Notwithstanding any other law to the contrary, the self-excluded persons list shall not
2249 be open to public inspection. Nothing in this section, however, shall prohibit a gaming
2250 establishment from disclosing the identity of persons on the self-excluded persons list under this
2251 section to affiliated gaming establishments in this commonwealth or other jurisdictions for the
2252 limited purpose of assisting in the proper administration of responsible gaming programs
2253 operated by affiliated gaming establishments.

2254 (i) As used in this subsection the following words shall, unless the context clearly
2255 requires otherwise have the following meanings:

2256 (i) "Problem gambler", a person who chronically or habitually gambles to the extent that:
2257 (1) such gambling substantially interferes with the person's social or economic functioning; or
2258 (2) the person has lost the power of self control

2259 over that person's gambling.

2260 (ii) "Immediate family", the spouse, parent, child, brother or sister of an individual.

2261 An immediate family member or guardian may petition, in writing, a district court for an
2262 order of exclusion from gaming establishments applicable to a person whom the petitioner has

2263 reason to believe is a problem gambler. Upon receipt of a petition for an order of exclusion of a
2264 person and any sworn statements the court may request from the petitioner, the court shall
2265 immediately schedule a hearing on the petition and shall cause a summons and a copy of the
2266 petition to be served upon the person as provided by section 25 of chapter 276. The person may
2267 be represented by legal counsel and may present independent expert or other testimony. The
2268 court shall order examination by a qualified psychologist. If, after a hearing, the court based
2269 upon competent testimony finds that said person is a problem gambler and there is a likelihood
2270 of serious harm as a result of the person's gambling, the court may order that such person be
2271 prohibited from gaming in gaming establishments. The court shall communicate this order to the
2272 commission, which shall place the person's name on the list of excluded persons.

2273 (j) A person who is prohibited from gaming in a gaming establishment under this section
2274 shall not collect any winnings or recover losses arising as a result of prohibited gaming winnings
2275 obtained by a person who is prohibited from gaming in a gaming establishment shall be forfeited
2276 to the commission and deposited into the Gaming Revenue Fund.

2277 (k) The commission shall pursue an interstate compact for the purposes of sharing
2278 information

2279 regarding the excluded persons list.

2280 Section 46. No applicant for a gaming license, nor any holding, intermediary or
2281 subsidiary company thereof, nor any officer, director, key gaming employee or principal
2282 employee of an applicant for or holder of a gaming license or of any holding, intermediary or
2283 subsidiary company thereof nor any person or agent on behalf of any such applicant, holder,
2284 company or person, shall directly or indirectly, pay or contribute any money or thing of value to

2285 any candidate for nomination or election to any public office in the commonwealth or to any
2286 group, political party, committee or association organized in support of any such candidate or
2287 political party; except that the provisions of this section shall not be construed to prohibit any
2288 individual who is a candidate for public office from contributing to the candidate's own
2289 campaign.

2290 Section 47. All political contributions or contributions in kind made by an applicant for a
2291 gaming license to a municipality or a municipal employee, as defined in section 1 of chapter
2292 268A, of the host community of the applicant's proposed gaming establishment shall be
2293 disclosed, by the applicant, to the commission and the city or town clerk of the host community.
2294 Such disclosure shall be made by the applicant bi-annually, on or before July 15 for the period
2295 covering January 1 through June 30 of that year and on or before January 15 for the period
2296 covering July 1 through December 31 of the preceding year. The office of campaign and
2297 political finance shall promulgate regulations to provide for timely and expeditious public
2298 reporting, which shall include electronic means or public posting in a city or town hall and post
2299 office, by city and town clerks of the contribution disclosures they receive from applicants.

2300 Section 48. A gaming licensee shall be subject to chapters 62 through 62E, inclusive, and
2301 chapters 63 through 63B, inclusive.

2302 Section 49. (a) A gaming establishment, including any business located within a gaming
2303 establishment, shall not be a certified project within the meaning of section 3F of chapter 23A.
2304 Gaming establishments shall not be designated as economic opportunity areas within the
2305 meaning of section 3E of chapter 23A. Gaming establishments shall not be eligible for tax
2306 increment financing under section 59 of chapter 40 or special tax assessments set forth in section

2307 3E of chapter 23A. Gaming establishments shall not be classified and taxed as recreational land
2308 under chapter 61B. Gaming establishments shall not be designated as a development district
2309 within the meaning of chapter 40Q.

2310 (b) Unless otherwise provided, a gaming establishment or a business located or to be
2311 located within a gaming establishment shall not be eligible for the following credits or
2312 deductions listed in chapter 62 or chapter 63: the investment tax credit under section 31A of
2313 chapter 63, the employment credit under section 31C of said chapter 63, the van pool credit
2314 under section 31E of said chapter 63, the deduction for expenditures for industrial waste
2315 treatment or air pollution control under section 38D of said chapter 63, the deduction for
2316 compensation paid to an eligible business facility's employees domiciled in a section of
2317 substantial poverty under section 38F of said chapter 63, the film tax credit under subsection (l)
2318 of section 6 of chapter 62 and section 38X of said chapter 63, the alternative energy sources
2319 deduction under section 38H of said chapter 63, the research expense credit under section 38M
2320 of said chapter 63, the economic opportunity area credit under subsection (g) of section 6 of said
2321 chapter 62, and section 38N of said chapter 63, the abandoned building deduction under
2322 subparagraph (10) of subsection (a) of Part B of section 3 of said chapter 62 and section 38O of
2323 said chapter 63, the harbor maintenance tax credit under section 38P of said chapter 63, the
2324 brownfields credit under subsection (j) of section 6 of said chapter 62 and section 38Q of said
2325 chapter 63, the historic rehabilitation tax credit under section 6J of said chapter 62 and section
2326 38R of said chapter 63 and the automatic sprinkler system depreciation deduction under section
2327 38S of said chapter.

2328 Section 50. Any liability to the commonwealth under this chapter shall constitute a debt
2329 to the commonwealth. Once a statement naming a gaming licensee is recorded, registered or

2330 filed, any such debt shall constitute a lien on all commercial property owned by a gaming
2331 licensee in the commonwealth and shall have priority over an encumbrance recorded, registered
2332 or filed with respect to any site.

2333 Section 51. (a) Prior to disbursement of cash or a prize in excess of $600, a gaming
2334 licensee shall review information made available by the IV-D agency, as set forth in chapter
2335 119A and by the department of revenue to ascertain whether the winner of the cash or prize owes
2336 past-due child support to the commonwealth or to an individual to whom the IV-D agency is
2337 providing services and to ascertain whether the winner of the cash or prize owes any past-due tax
2338 liability to the commonwealth.

2339 (b) If the winner of the cash or prize owes past-due child support or a past-due tax
2340 liability, the gaming licensee shall notify the IV-D agency or the commonwealth, respectively, of
2341 the winner's name, address and social security number. Subsequent to statutory state and federal
2342 tax withholding, the gaming licensee shall first disburse to the IV-D agency the full amount of
2343 the cash or prize or such portion of the cash or prize that satisfies the winner's past-due child
2344 support obligation.

2345 (c) If funds remain available after the disbursement to the IV-D agency or if no such
2346 obligation to the IV-D agency is owed, the gaming licensee shall disburse to the department of
2347 revenue the full amount of the cash or prize or such portion of the cash prize that satisfies the
2348 winner's past-due tax liability. The licensee shall disburse to the holder only that portion of the
2349 prize, if any, remaining after the holder's past-due child support obligation and the holder's past-
2350 due tax liability have been satisfied.

2351 Section 52. Gaming licensees shall, on a monthly basis, transmit to the department of
2352 transitional assistance and to the IV-D agency, as set forth in chapter 119A, a list of all persons
2353 who were awarded cash winning or a prize in excess of $600 in the prior month. The information
2354 shall be provided in a format which is compatible with the automated data processing systems of
2355 the department and the IV-D agency to ensure the immediate identification of persons who may
2356 be receiving public assistance benefits. The information provided shall include the name, address
2357 and social security number of the person who was awarded the cash or prize valued in excess of
2358 $600.

2359 Section 53. Unclaimed cash and prizes shall be retained by the gaming licensee for the
2360 person entitled to the cash or prize for 1 year after the game in which the cash or prize was won.
2361 If no claim is made for the cash or prize within 1 year, the cash or equivalent cash value of the
2362 prize shall be deposited in the Gaming Revenue Fund established in section 59.

2363 Section 54. If the person entitled to cash or a prize is under the age of 21 years, the cash
2364 or prize shall be remitted to the commission and deposited into the Gaming Revenue Fund
2365 established in section 59.

2366 Section 55. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming
2367 revenues.

2368 (b) A category 2 licensee shall pay a daily tax of 40 per cent on gross gaming revenue.

2369 (c) In addition to the tax imposed under subsection (b), a category 2 licensee shall pay a
2370 daily assessment of 9 per cent of their gross gaming revenue to the Massachusetts race horse
2371 development fund established in section 60.

2372 (d) Taxes imposed under this section shall be remitted to the commission by a gaming
2373 licensee the day following each day of wagering.

2374 Section 56. (a) In addition to any other tax or fee imposed by this chapter, there shall be
2375 imposed an annual license fee of $600 for each slot machine approved by the commission for use
2376 by a gaming licensee at a gaming establishment; provided, however, that not sooner than 5 years
2377 after award of an original gaming license, the commission may annually adjust the fee for
2378 inflation. The fee shall be imposed as of July 1 of each year for all approved slot machines on
2379 that date and shall be assessed on a pro rata basis for any slot machine approved for use
2380 thereafter.

2381 (b) The commission shall establish fees for any investigation into a violation of this
2382 chapter or regulation promulgated thereunder by a gaming licensee to be paid by the gaming
2383 licensee, including, but not limited to, billable hours by commission staff involved in the
2384 investigation and the costs of services, equipment or other expenses that are incurred by the
2385 commission during the investigation.

2386 (c) Any remaining costs of the commission necessary to maintain regulatory control over
2387 gaming establishments that are not covered by: (i) the fees set forth in subsections (a) and (b);
2388 (ii) any other fees assessed under this chapter; or (iii) any other designated source of funding,
2389 shall be assessed annually on gaming licensees under this chapter in proportion to the number of
2390 gaming positions at each gaming establishment. Each gaming licensee shall pay the amount
2391 assessed against it within 30 days after the date of the notice of assessment from the commission.

2392 (d) If the fees collected in subsections (a) and (b) exceed the cost required to maintain
2393 regulatory control, the surplus funds shall be credited in proportional shares against each gaming
2394 licensee's next assessment.

2395 (e) In addition to the fees collected under this section and any additional costs of the
2396 commission, the commission shall assess an annual fee of not less than $5,000,000 in
2397 proportional shares against each gaming licensee in proportion to the number of gaming
2398 positions at each gaming establishment for the costs of service and public health programs
2399 dedicated to addressing problems associated with compulsive gambling. Such assessed fees shall
2400 be deposited into the Public Health Trust Fund established in section 58.

2401 (f) All fees and assessments collected under this section, except those collected under
2402 subsection (e), shall be deposited into the Gaming Control Fund established in section 57.

2403 Section 57. (a) There shall be established and set up on the books of the commonwealth a
2404 separate fund to be known as the Massachusetts Gaming Control Fund. The commission shall be
2405 the trustee of the fund and shall expend monies to finance operational activities of the
2406 commission. The fund shall be credited any appropriations, bond proceeds or other monies
2407 authorized by the general court and specifically designated to be credited thereto, the proceeds of
2408 the assessments levied under section 56, application fees for licenses issued under this chapter
2409 and such additional funds as are subject to the direction and control of the commission. All
2410 available monies in the fund that are unexpended at the end of each fiscal year shall not revert to
2411 the General Fund and shall be available for expenditure in the subsequent fiscal year. Any funds
2412 unexpended in any fiscal year for the purposes of which such assessments were made shall be
2413 credited against the assessment to be made in the following fiscal year and the assessment in the

2414 following fiscal year shall be reduced by any such unexpended amount. The commission shall
2415 record all expenditures made by subsidiary on the Massachusetts management and accounting
2416 reporting system, so-called, according to regulations established by the state comptroller.

2417 (b) The commission shall, for the purposes of compliance with state finance law, operate
2418 as a state agency as defined in section 1 of chapter 29 and shall be subject to the provisions
2419 applicable to agencies under the control of the governor including, but not limited to, chapters 7,
2420 7A, 10 and 29; provided, however, that the comptroller may identify any additional instructions
2421 or actions necessary for the commission to manage fiscal operations in the state accounting
2422 system and meet statewide and other governmental accounting and audit standards. Unless
2423 otherwise exempted by law or the applicable central service agency, the commission shall
2424 participate in any other available commonwealth central services including, but not limited, to
2425 the state payroll system under section 31 of said chapter 29, and may purchase other goods and
2426 services provided by state agencies in accordance with comptroller provisions. The comptroller
2427 may chargeback the commission for the transition and ongoing costs for participation in the state
2428 accounting and payroll systems and may retain and expend such costs without further
2429 appropriation for the purposes of this section. The commission shall be subject to section 5D of
2430 chapter 29 and subsection (f) of section 6B of chapter 29.

2431 The commission shall annually submit a finance plan to the secretary of administration
2432 and finance, the chairs of the house and senate committees on ways and means and the chairs of
2433 the joint committee on economic development and emerging technologies.

2434 Section 58. There is hereby established and set up on the books of the commonwealth a
2435 separate fund to be known as the Addiction Prevention and Mitigation Trust Fund. The

2436 addictions prevention and mitigation trust fund shall consist of fees assessed under section 56
2437 and all other monies credited or transferred to the fund from any other source under law. The
2438 secretary of health and human services shall be the trustee of the addictions prevention and
2439 mitigation trust fund and may only expend monies in the fund, without further appropriation, to
2440 assist social service and public health programs dedicated to addressing problems associated with
2441 compulsive gambling, including, but not limited to, gambling prevention and addiction services,
2442 educational campaigns to mitigate the potential addictive nature of gambling and any studies and
2443 evaluations necessary, including the annual research agenda under section 71, to ensure the
2444 proper and most effective strategies.

2445 Section 59. There shall be established and set up on the books of the commonwealth a
2446 Gaming Revenue Fund, hereinafter the fund, which shall receive revenues collected from the tax
2447 on gross gaming revenue received from gaming licensees. The commission shall be the trustee of
2448 the fund and shall transfer monies in the fund as follows:

2449 (1) 100 per cent of the revenue received from a category 2 licensee shall be transferred to
2450 the Gaming Local Aid Fund; and

2451 (2) 100 per cent of the revenue received from a category 1 licensee shall be transferred
2452 as follows:

2453 (a) 2 per cent of revenues to the Massachusetts cultural council of which one-quarter of
2454 the revenues received shall be dedicated to the organization support program of the
2455 Massachusetts cultural council and three-quarters of revenues shall be dedicated to support not-
2456 for-profit or municipally-owned performing arts centers impacted as a result of the operation of
2457 gaming facilities; provided, however, that funds dedicated to such performing arts centers shall

2458 be to subsidize fees paid to touring shows or artists; provided further, that funding shall be
2459 appropriated through a competitive grant process to be developed and administered by the
2460 Massachusetts cultural council;

2461 (b) 1/2 per cent to the Massachusetts Tourism Fund to fund tourist promotion agencies
2462 under clause (c) of section 35J of chapter 10.

2463 (c) 6.5 per cent to the Community Mitigation Fund established in section 61;

2464 (d) 2 per cent to the Local Capital Projects Fund, established in section 2EEEE of chapter
2465 29;

2466 (e) 20 per cent to the Gaming Local Aid Fund, established in section 63;

2467 (f) 10 per cent to the Commonwealth Stabilization Fund established in section 2H of
2468 chapter 29; provided, however, that in any fiscal year in which the amount appropriated in item
2469 7061-0008 of the general appropriation act, paid from the General Fund, or the amount of
2470 unrestricted general government aid paid from the General Fund, including lottery aid
2471 distribution to cities and towns as paid from the General Fund under clause (c) of the second
2472 paragraph of section 35 of said chapter 10 and the amount of additional funds distributed to cities
2473 and towns as additional assistance paid from the General Fund, is less than that of the previous
2474 fiscal year, up to 1/2 of the funds otherwise directed to the Commonwealth Stabilization Fund
2475 under this section, up to an amount equal to the deficiency between said appropriations for the
2476 current and previous fiscal years, shall be transferred to the Gaming Local Aid Fund in addition
2477 to the 25 per cent under clause (e);

2478 (g) 14 per cent to the Education Fund, established in section 64;

2479 (h) 10 per cent shall be transferred to the Economic Development Fund, established in
2480 section 2DDDD of chapter 29;

2481 (i) 10 per cent shall be used for debt reduction through a program of debt defeasance and
2482 accelerated debt payments; provided, however, that this program shall be developed jointly by
2483 the state treasurer and the secretary of administration and finance and shall be implemented in
2484 compliance with state finance law; provided further, that this program shall prioritize the
2485 reduction of risk in the commonwealth's debt portfolio; and provided further, that the state
2486 secretary and state treasurer shall provide a written description of the program to the finance
2487 advisory board established in section 97 of chapter 6 for the board's review and comment before
2488 the program is implemented and shall file a copy of that description with the house and senate
2489 committees on ways and means and the house and senate committees on bonding, capital
2490 expenditures and state assets when it is submitted to the finance advisory board;

2491 (j) 15 per cent shall be transferred to the Transportation Infrastructure and Development
2492 Fund, established in section 62; and

2493 (k) 5 per cent to the Public Health Trust Fund.

2494 (l) 5 per cent to the Community Preservation Fund.

2495 Section 60. (a) There shall be established and set up on the books of the commonwealth a
2496 Race Horse Development Fund to be administered by the commission. The fund shall consist of
2497 monies deposited under subsection (c) of section 55. The commission shall make distributions
2498 from the Race Horse Development Fund to each licensee under chapter 128A.

2499 (b) Funds received from subsection (a) shall be allocated by the commission as follows:

2500 (i) 80 per cent shall be deposited weekly into a separate, interest-bearing purse account to
2501 be established by and for the benefit of the horsemen; provided, however, that the earned interest
2502 on the account shall be credited to the purse account; and provided further, that licensees shall
2503 combine these funds with revenues from existing purse agreements to fund purses for live races
2504 consistent with those agreements with the advice and consent of the horsemen;

2505 (ii) for a thoroughbred track, 8 per cent shall be deposited on a monthly basis into the
2506 Massachusetts Thoroughbred Breeding Program authorized by the commission in section 2 of
2507 chapter 128;

2508 (iii) for a harness track, 8 per cent shall be deposited on a monthly basis into the
2509 Massachusetts Standardbred Breeding Program authorized by the commission in section 2 of
2510 chapter 128 and an additional 8 per cent shall be deposited on a monthly basis into a
2511 Standardbred Breeder Development Program authorized by the commission; and

2512 (iv) 4 per cent shall be used to fund health and pension benefits for the members of the
2513 horsemen's organizations representing the owners and trainers at the racetrack at which the
2514 category 2 licensee operates for the benefit of the organization's members, their families,
2515 employees and others under the rule and eligibility requirements of the organization, as approved
2516 by the commission; provided, however, that this amount shall be deposited within 5 business
2517 days of the end of each month into a separate account to be established by each respective
2518 horsemen's organization at a banking institution of its choice; and provided further, that of this
2519 amount, the commission shall determine how much shall be paid annually by the horsemen's
2520 organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at
2521 which the licensed racing entity operates for health insurance, life insurance or other benefits to

2522 active and disabled thoroughbred jockeys or standardbred drivers under the rules and eligibility
2523 requirements of that organization.

2524 Section 61. (a) There shall be established and set up on the books of the commonwealth a
2525 separate fund to be known as the Community Mitigation Fund. The fund shall consist of monies
2526 transferred under section 59 and all other monies credited or transferred to the fund from any
2527 other fund or source.

2528 (b) The commission shall administer the fund and, without further appropriation, shall
2529 expend monies in the fund to assist the host community and surrounding communities in
2530 offsetting costs related to the construction and operation of a gaming establishment including,
2531 but not limited to, communities and water and sewer districts in the vicinity of a gaming
2532 establishment, local and regional education, transportation, infrastructure, housing,
2533 environmental issues and public safety, including the office of the county district attorney,
2534 police, fire and emergency services.

2535 (c) Parties requesting appropriations from the fund shall submit a written request for
2536 funding to the commission before February 1 of each year. The commission may hold a public
2537 hearing in the region of a gaming establishment to provide parties with the opportunity to
2538 provide further information about their request for funds and shall distribute funds to requesting
2539 parties based on demonstrated need.

2540 Section 62. There shall be established and set up on the books of the commonwealth a
2541 fund to be known as the Transportation Infrastructure and Development Fund. The fund shall
2542 consist of monies transferred from the Gaming Revenue Fund and all other monies credited or
2543 transferred to the fund from any other fund or source and proceeds from the investment of such

2544 funds. The secretary of transportation shall be the trustee of this fund, provided that no funds
2545 shall be expended until the secretary of administration and finance has provided written approval
2546 annually of a proposed spending plan. Any expenditures from this fund shall be solely for the
2547 purpose of transportation and related infrastructure projects, including but not limited to transit
2548 expansion and maintenance; provided, however, that not less than 50 per cent of such
2549 expenditures shall be dedicated for the purpose of supplementing, and not offsetting, any
2550 expenditures made for the construction and reconstruction of municipal ways as described in
2551 clause (b) of the second paragraph of section 4 of chapter 6C.

2552 Section 63. There shall be established and set up on the books of the commonwealth a
2553 fund to be known as the Gaming Local Aid Fund. The fund shall consist of monies transferred
2554 under section 59 and all monies credited or transferred to the fund from any other fund or source
2555 and shall be subject to appropriation. Funds shall be distributed to cities and towns in accordance
2556 with the formula used to determine the distribution of Unrestricted General Government Aid
2557 under section 3 of the general appropriations act. Monies from the fund shall be used in addition
2558 to the balance of the state lottery fund for distribution to cities and towns in accordance with the
2559 provisions of clause (c) of section 35 of chapter 10 and any monies so distributed shall be
2560 considered part of "general revenue sharing aid" for purposes of annual aid and contribution
2561 requirements established pursuant to chapter 70 or section 3 of the annual general appropriation
2562 act.

2563 Section 64. There shall be established and set up on the books of the commonwealth a
2564 fund to be known as the Education Fund. The fund shall be credited any monies transferred
2565 under section 59 and all monies credited to or transferred to the fund from any other fund or
2566 source. Expenditures from said fund shall be subject to appropriation, provided further, that 35

2567 per cent of funds received shall be appropriated for the purposes of higher education to
2568 supplement, and not offset, any reduction in the general appropriation act from the previous
2569 fiscal year and, provided further, that any expenditures from said fund for K-12 education shall
2570 be used to supplement, and not offset, any reduction in item 7061-0008 of the general
2571 appropriation act from the previous fiscal year's general appropriation act.

2572 Section 65. The commission shall audit as often as the commission determines necessary,
2573 but not less than annually, the accounts, programs, activities, and functions of all gaming
2574 licensees. To conduct the audit, authorized officers and employees of the commission shall have
2575 access to such accounts at reasonable times and the commission may require the production of
2576 books, documents, vouchers and other records relating to any matter within the scope of the
2577 audit, except tax returns. The superior court shall have jurisdiction to enforce the production of
2578 records that the commission requires to be produced under this section and the court shall order
2579 the production of all such records within the scope of any such audit. All audits shall be
2580 conducted in accordance with generally accepted auditing standards established by the American
2581 Institute of Certified Public Accountants. In any audit report of the accounts, funds, programs,
2582 activities and functions of a gaming licensee issued by the commission, containing adverse or
2583 critical audit results, the commission may require a response, in writing, to the audit results. The
2584 response shall be forwarded to the commission within 15 days of notification by the commission.

2585 On or before April 1 of each year, the commission shall submit a report to the clerks of
2586 the house of representatives and the senate who shall forward the report to the house and senate
2587 committees on ways and means which shall include, but not be limited to: (i) the number of
2588 audits performed under this section; (ii) a summary of findings under the audits; and (iii) the cost
2589 of each audit.

2590 Section 66. Unless the commission otherwise determines it to be in the best fiscal
2591 interests of the commonwealth, the commission shall utilize the services of a independent testing
2592 laboratory that has obtained a license as a gaming vendor to perform the testing of slot machines
2593 and other gaming equipment, and may also utilize applicable data from any such independent
2594 testing laboratory, or from a governmental agency of a state other than the Massachusetts,
2595 authorized to regulate slot machines and other gaming equipment.

2596 Section 67. The commission shall continue to evaluate the status of Indian tribes in the
2597 commonwealth, including, without limitation, gaining federal recognition or taking land into
2598 trust for tribal economic development. The commission shall evaluate and make a
2599 recommendation to the governor and the chairs of the joint committee on economic development
2600 and emerging technologies as to whether it would be in the best interest of the commonwealth to
2601 enter into any negotiations with said tribes for the purposes of establishing Class III gaming on
2602 tribal land.

2603 Section 68. (a) There shall be a gaming policy advisory committee to consist of the
2604 governor or the governor's designee, who shall serve as chair; the commission chair; the senate
2605 president or the president's designee; the speaker of the house of representatives or the speaker's
2606 designee; the senate minority leader or the senate minority leader's designee; the house minority
2607 leader or the house minority leader's designee; the commissioner of public health or the
2608 commissioner's designee; and 8 persons to be appointed by the governor, 3 of whom shall be
2609 representatives of gaming licensees, 1 of whom shall be a representative of a federally
2610 recognized Indian tribe in the commonwealth, 1 of whom shall be a representative of organized
2611 labor and 3 of whom shall be appointed from the vicinity of each gaming establishment, as
2612 defined by host community and surrounding community, upon determination of the licensee and

2613 site location by the commission. The committee shall designate subcommittees to examine
2614 community mitigation, compulsive gambling and gaming impacts on cultural and tourism.
2615 Members of the committee shall serve for 2 year terms. The committee shall meet at least once
2616 annually for the purpose of discussing matters of gaming policy. The recommendations of the
2617 committee concerning gaming policy made under this section are advisory and shall not be
2618 binding on the commission and board.

2619 (b) There shall be a subcommittee on community mitigation under the gaming policy
2620 advisory committee consisting of 9 members: 1 of whom shall be appointed from the host
2621 community in region 1; 1 of whom shall be appointed from the host community in region 2; 1 of
2622 whom shall be appointed from the host community in region 3; 1 of whom shall be a
2623 representative from the department of revenue's division of local services; 1 of whom shall be a
2624 representative of the commission; 1 of whom shall be appointed by the governor and have
2625 professional experience in community mitigation related to gaming; 1 of whom shall be
2626 appointed by the governor and shall be a small business owner in a host community; 1 of whom
2627 shall be a representative from a Chamber of Commerce serving a host community; and 1 of
2628 whom shall be a representative from the Massachusetts municipal association. The subcommittee
2629 shall develop recommendations to be considered by the commission to address issues of
2630 community mitigation as a result of the development of gaming establishments in the
2631 commonwealth, including, but not limited to: how funds may be expended from the Community
2632 Mitigation Fund, the impact of gaming establishments on the host community as well as
2633 surrounding communities including, but not limited to, the impact on local resources as a result
2634 of new housing construction and potential necessary changes to affordable housing laws,
2635 increased education costs and curriculum changes due to population changes in the region,

2636 development and maintenance of infrastructure related to increased population and utilization in
2637 the region and public safety impacts resulting from the facility and how to address that impact.
2638 The subcommittee shall receive input from local community mitigation advisory committees.
2639 The subcommittee shall review annually the expenditure of funds from the Community
2640 Mitigation Fund and make recommendations to the commission relative to appropriate and
2641 necessary use of community mitigation funds. The commission may promulgate such
2642 regulations as advised by the subcommittee.

2643 (c) There shall be a subcommittee on addiction services under the gaming policy advisory
2644 committee consisting of 5 members: 1 of whom shall be a representative from the department of
2645 public health's bureau of substance abuse services; 1 of whom shall be a representative from the
2646 Massachusetts Council on Compulsive Gambling, Inc.; 1 of whom shall be a representative of
2647 the commission; and 2 of whom shall be appointed by the governor with professional experience
2648 in the area of gambling addictions. The subcommittee shall develop recommendations for
2649 regulations to be considered by the commission in addressing issues related to addiction services
2650 as a result of the development of gaming establishments in the commonwealth, including by not
2651 limited to, prevention and intervention strategies.

2652 (d) There shall be a subcommittee on public safety under the gaming policy advisory
2653 committee consisting of 7 members: 1 of whom shall be a member of the commission; 1 of
2654 whom shall be the secretary of the executive office of public safety or the secretary's designee; 1
2655 of whom shall be the attorney general or the attorney general's designee; 1 of whom shall be a
2656 representative from the Massachusetts District Attorneys Association; 1 of whom shall be the
2657 colonel of the state police or the colonel's designee; 1 of whom shall be a representative from the
2658 Massachusetts Chiefs of Police Association; and 1 of whom shall be a representative of a public

2659 safety labor union. The subcommittee shall develop recommendations for regulations to be
2660 considered by the commission to address public safety issues as a result of the development of
2661 gaming establishments in the commonwealth, including but not limited to, how to mitigate the
2662 impact of gaming establishments on crimes committed in the commonwealth. The subcommittee
2663 shall also study the impact of gaming establishments on all aspects of public safety in the
2664 commonwealth.

2665 (e) Each region, as defined in section 19, may establish a local community mitigation
2666 advisory committee, which shall include not fewer than 6 members: 1 of whom shall be
2667 appointed by each of the host and surrounding communities; 1 of whom shall be appointed by
2668 each regional planning agency to which at least 1 of the host or surrounding communities
2669 belongs; and 4 of whom shall be appointed by the commission, of whom at least 1 shall
2670 represent a chamber of commerce in the region, 1 shall represent a regional economic
2671 development organization in the region, and 2 shall represent human service providers in the
2672 region. Each local committee shall annually elect a chair and such other officers as it deems
2673 necessary to carry out its duties.

2674 Each local community mitigation advisory committee may provide information and
2675 develop recommendations for the subcommittee on community mitigation on any issues related
2676 to the gaming establishment located in its region including, but not limited to: (i) issues of
2677 community mitigation; (ii) how funds may be expended from the Community Mitigation Fund;
2678 and (iii) the impact of the gaming establishments on the host and surrounding communities.
2679 Additionally, each local community mitigation advisory committee may present information to
2680 the commission consistent with the rules of the commission on any issues related to the gaming
2681 establishment located in its region.

2682 Section 69. The commission shall report monthly to the governor, the attorney general,
2683 the senate and house committees on ways and means, the chairs of the joint committee on
2684 revenue and the chairs of the joint committee on economic development and emerging
2685 technologies the total gaming revenues, prize disbursements and other expenses for the
2686 preceding month and shall make an annual report to the same recipients which shall include a
2687 full and complete statement of gaming revenues, prize disbursements and other expenses,
2688 including such recommendations as the commission considers necessary or advisable. The
2689 commission shall report immediately to the governor, the attorney general, the senate and house
2690 committees on ways and means, the senate and house chairs of the joint committee on revenue
2691 and the senate and house chairs of the joint committee on economic development and emerging
2692 technologies any matter which requires immediate changes in the laws of the commonwealth in
2693 order to prevent abuses or evasions of the laws, rules or regulations related to gaming or to
2694 rectify undesirable conditions in connection with the administration or operation of gaming in
2695 the commonwealth.

2696 Section 70. The commission shall annually submit a complete and detailed report of the
2697 commission's activities, including a review of the implementation and enforcement of this
2698 chapter and the governance structure established in this chapter, within 90 days after the end of
2699 the fiscal year to the governor, the attorney general, the treasurer and receiver general, the clerk
2700 of the house of representatives, the clerk of the senate, the chairs of the joint committee on
2701 economic development and emerging technologies and the chairs of the house and senate
2702 committees on ways and means.

2703 Section 71. The Massachusetts gaming commission, with the advice of the gaming policy
2704 advisory committee, shall develop an annual research agenda in order to understand the social

2705 and economic effects of expanding gaming in the commonwealth and to obtain scientific
2706 information relative to the neuroscience, psychology, sociology, epidemiology and etiology of
2707 gambling. The secretary of health and human services, with the advice and consent of the
2708 commission may expend funds from the Public Health Trust Fund, established in section 58, to
2709 implement the objectives of the research agenda which shall include, but not be limited to, the
2710 following:

2711 (1) a baseline study of the existing occurrence of problem gambling in the
2712 commonwealth; provided, however, that the study shall examine and describe the existing levels
2713 of problem gambling and the existing programs available that prevent and address the harmful
2714 consequences of problem gambling; provided further, that the commission shall contract with
2715 scientists and physicians to examine the current research as to the causes for problem gambling
2716 and the health effects of problem gambling and the treatment methods currently available in the
2717 commonwealth; provided further, that the commission shall report on the findings of the baseline
2718 study and provide recommendations to the house and senate committees on ways and means, the
2719 joint committee on economic development and emerging technologies, the joint committee on
2720 mental health and substance abuse and the joint committee on public health relative to methods
2721 to supplement or improve problem gambling prevention and treatment services;

2722 (2) comprehensive legal and factual studies of the social and economic impacts of
2723 gambling in the commonwealth on: (a) state, local and Indian tribal governments; and (b)
2724 communities and social institutions generally, including individuals, families and businesses
2725 within such communities and institutions; provided, however, that the matters to be examined in
2726 such studies shall include, but not be limited to:

2727 (i) a review of existing federal, state, local and Indian tribal government policies and
2728 practices with respect to the legalization or prohibition of gambling, including a review of the
2729 costs of such policies and practices;

2730 (ii) an assessment of the relationship between gambling and levels of crime and of
2731 existing enforcement and regulatory practices intended to address any such relationship;

2732 (iii) an assessment of pathological or problem gambling, including its impact on
2733 individuals, families, businesses, social institutions and the economy;

2734 (iv) an assessment of the impact of gambling on individuals, families, businesses, social
2735 institutions and the economy generally, including the role of advertising in promoting gambling
2736 and the impact of gambling on depressed economic areas;

2737 (v) an assessment of the extent to which gaming has provided revenues to other state,
2738 local and Indian tribal governments;

2739 (vi) an assessment of the costs of added infrastructure, police force, increased
2740 unemployment, increased health care and dependency on public assistance; and

2741 (vii), an assessment of the impact of gambling facility development and gambling
2742 facilities on small businesses in host communities and surrounding communities, including a
2743 review of any economic harm experienced and potential solutions to mitigate associated
2744 economic harm;

2745 (viii) the costs of implementing chapter 23K of the General Laws; and

2746 (3) individual studies conducted by academic institutions in the commonwealth and
2747 individual researchers located in the commonwealth to study topics which shall include, but not

2748 be limited to: (i) reward and aversion, neuroimaging and neuroscience in humans, addiction
2749 phenotype genotype research, gambling-based experimental psychology and mathematical
2750 modeling of reward-based decision-making; (ii) the sociology and psychology of gambling
2751 behavior, gambling technology and marketing; and (iii) the epidemiology and etiology of
2752 gambling and problem gambling in the general population; provided, however, that when
2753 contracting with researchers to study such issues, the commission shall encourage the
2754 collaboration among researchers in the commonwealth and other states and jurisdictions.

2755 The commission and the committee shall annually make scientifically-based
2756 recommendations which reflect the results of this research to the house and senate committees on
2757 ways and means, the joint committee on economic development and emerging technologies, the
2758 joint committee on mental health and substance abuse and the joint committee on public health.
2759 The commission shall consider any such recommendations, research and findings in all decisions
2760 related to enhancing responsible gambling and mitigating problem gambling.

2761 SECTION 17. Chapter 23K of the General Laws is hereby amended by striking out
2762 section 7, as appearing in section 12, and inserting in place thereof the following section:-

2763 Section 7. The commission shall administer and enforce any general and special law
2764 related to pari-mutuel wagering and simulcasting. The commission shall serve as a host racing
2765 commission and an off-track betting commission for purposes of 15 U.S.C. 30001, et seq.

2766 SECTION 18. Chapter 29 of the General Laws is hereby amended by inserting after
2767 section 2BBBB the following 3 sections:

2768 Section 2CCCC. There shall be established and set up on the books of the
2769 commonwealth a separate fund to be known as the Local Aid Stabilization Fund. The fund shall

2770 consist of monies transferred to it from the Gaming Revenue Fund established in section 59 of
2771 chapter 23K, all other monies credited or transferred to it from any other fund or source and
2772 proceeds from the investment of such funds. Subject to appropriation, the fund shall be
2773 distributed to cities and towns as a supplement to other sources of local aid distributions, but
2774 shall not be subject to section 5C.

2775 Section 2DDDD. There shall be established and set up on the books of the
2776 commonwealth a separate fund to be known as the Gaming Economic Development Fund. The
2777 fund shall be credited with revenues transferred to it from the Gaming Revenue Fund established
2778 in section 59 of chapter 23K. Amounts credited to the fund shall be expended, subject to
2779 appropriation, to support economic development and job growth including, but not limited to: (1)
2780 workforce training, including transfers to the Workforce Competitiveness Trust Fund; (2)
2781 tourism promotion, including regional tourism promotion agencies and cultural and recreational
2782 attraction promotion; (3) summer jobs; (4) the Massachusetts Marketing Partnership; (5) higher
2783 education scholarships; (6) regional economic development initiatives; (7) support for small
2784 businesses, including small business lending; (8) green jobs promotion; (9) science, technology,
2785 engineering and mathematics career pipeline initiatives; and (10) agricultural development
2786 programs, including youth agricultural education.

2787 Section 2EEEE. There shall be established and set up on the books of the commonwealth
2788 a Local Capital Projects Fund. The fund shall be credited with any monies transferred from
2789 licensing fees of gaming establishments or funds transferred from the Gaming Revenue Fund
2790 under chapter 23K and any monies credited to or transferred to the fund from any other fund or
2791 source.

2792 SECTION 19. Section 38 of said chapter 29, as appearing in the 2008 Official Edition, is
2793 hereby amended by striking out, in lines 115 and 116, the words “Fund, as established and
2794 defined in section thirty-five of chapter ten,” and inserting in place thereof the following words:-
2795 and Gaming Fund established in section 35 of chapter 10.

2796 SECTION 20. Said section 38 of said chapter 29, as so appearing, is hereby further
2797 amended by striking out, in lines 127 and 128, the words “the said State Lottery” and inserting in
2798 place thereof the following words:- the State Lottery and Gaming.

2799 SECTION 21. Section 1 of chapter 32 of the General Laws is hereby amended by
2800 inserting after the word “connector”, in line 211, as amended by section 47 of chapter 25 of the
2801 acts of 2009, the following words:- , the Massachusetts gaming commission,.

2802 SECTION 22. Section 2 of chapter 32A of the General Laws is hereby amended by
2803 inserting after the word “authority”, in line 12, as appearing in the 2008 Official Edition, the
2804 following words:- , the Massachusetts gaming commission.

2805 SECTION 23. Section 94 of chapter 41 of the General Laws, as so appearing, is hereby
2806 amended by inserting after the word “and”, in line 7, the first time it appears, the following
2807 word:- illegal.

2808 SECTION 24. Section 7A of chapter 55 of the General Laws, as so appearing, is hereby
2809 amended by adding the following subsection:-

2810 (c) The aggregate of all contributions by a person who holds a license issued by the
2811 Massachusetts gaming commission, who was required to apply for that license under section 14
2812 of chapter 23K, for the benefit of any 1 candidate and such candidate’s committee shall not

2813 exceed $200 in a calendar year. The aggregate of all contributions by a person who holds a
2814 license issued by the Massachusetts gaming commission, who was required to apply for that
2815 license under section 14 of chapter 23K, for the benefit of any other political committee, other
2816 than a ballot question committee, shall not exceed $200 in a calendar year.

2817 SECTION 25. Section 18C of chapter 58 of the General Laws, as so appearing, is hereby
2818 amended by inserting after the word "Lottery", in line 6, the following words:- and Gaming.

2819 SECTION 26. Section 18D of said chapter 58 is hereby repealed.

2820 SECTION 26A. Notwithstanding any general or special law to the contrary, the
2821 department of revenue shall study the tax revenue loss incurred by establishing a deduction,
2822 under section 3 of chapter 62, similar to the deduction described in section 165(d) of the Code, to
2823 the extent, if any, that that amount of such losses occurred in gaming facilities located in
2824 Massachusetts. The department shall report its findings and recommendations, together with
2825 drafts of legislation necessary to carry those recommendations into effect, by filing the same
2826 with the clerks of the senate and house of representatives and with the house and senate chairs of
2827 the joint committee on revenue not later than June 30, 2012.

2828 SECTION 27. Section 5A of chapter 62 of the General Laws, as so appearing, is hereby
2829 amended by inserting after the word "commonwealth", in line 24, the following words:- ,
2830 including gaming winnings acquired at or through a gaming establishment under chapter 23K.

2831 SECTION 28. The seventh paragraph of section 2 of chapter 62B of the General Laws, as
2832 so appearing, is hereby amended by striking out the first 2 sentences and inserting in place
2833 thereof the following 2 sentences:- Every person, including the United States, the commonwealth
2834 or any other state, or any political subdivision or instrumentality of the foregoing, making any

2835 payment of lottery or wagering winnings, which are subject to tax under chapter 62 and which
2836 are subject to withholding under section 3402(q) of the Internal Revenue Code shall deduct and
2837 withhold from such payment an amount equal to 5 per cent of such payment. For the purposes of
2838 this chapter and chapter 62C, such payment of winnings shall be treated as if it were wages paid
2839 by an employer to an employee.

2840 SECTION 29. Said chapter 62B is hereby further amended by striking out section 5, as so
2841 appearing, and inserting in place thereof the following section:-

2842 Section 5. Every employer required to deduct and withhold from an employee or payee a
2843 tax under section 2 or who would have been required under said section 2 in the case of an
2844 employee to deduct and withhold a tax if the employee had not claimed any personal exemption
2845 or dependency exemptions, shall furnish to each such employee or payee in respect of the wages
2846 or other payments paid by such employer to such employee or payee during the calendar year, on
2847 or before January 31 of the succeeding year, or, if an employee's employment is terminated
2848 before the close of such calendar year, within 30 days from the day on which the last payment of
2849 wages shall be made, a written statement in duplicate showing the name of the employer, the
2850 name of the employee or payee and the social security number of such employee or payee, if
2851 any, the total amount of wages or other amounts subject to taxation under chapter 62 and the
2852 total amount deducted and withheld as tax. The statement shall contain such other information as
2853 the commissioner may prescribe. The commissioner may grant reasonable extensions of time,
2854 not exceeding 60 days, for the furnishing of the statement.

2855 An employer who fails to withhold or pay to the commissioner any sum required by this
2856 chapter to be withheld or paid shall be personally and individually liable therefor to the

2857 commonwealth. The term “employer,” as used in this section and in section 11, shall include a
2858 person or entity required to withhold tax from a payee, an officer or employee of a corporation or
2859 a member or employee of a partnership or limited liability company who, as such officer,
2860 employee or member is under a duty to withhold and pay over taxes in accordance with this
2861 section and section 2. Any sum withheld in accordance with said section 2 shall be considered to
2862 be held in trust for the commonwealth.

2863 If an employer in violation of this chapter fails to withhold the tax in accordance with
2864 section 2 and thereafter the tax against which such tax may be credited pursuant to section 9 is
2865 paid, the tax so required to be withheld shall not be collected from the employer; but this
2866 paragraph shall not relieve the employer from liability for any penalties or additions to the tax
2867 otherwise applicable in respect of such failure to withhold.

2868 SECTION 30. The first paragraph of section 8 of chapter 62C of the General Laws, as so
2869 appearing, is hereby amended by striking out the last sentence and inserting in place thereof the
2870 following sentence:-The same basis of reporting shall be utilized for income that is subject to
2871 taxation or withholding under chapter 62 or 62B but is not subject to taxation or withholding
2872 under the Code.

2873 SECTION 31. The third paragraph of subsection (f) of section 38 of chapter 63 of the
2874 General Laws, as so appearing, is hereby amended by adding the following clause:- (8) in the
2875 case of a business deriving receipts from operating a gaming establishment or otherwise deriving
2876 receipts from conducting a wagering business or activity, income-producing activity shall be
2877 considered to be performed in this commonwealth to the extent that the location of wagering
2878 transactions or activities that generated the receipts is in this commonwealth.

2879 SECTION 32. Said subsection (f) of said section 38 of said chapter 63, as so appearing,
2880 is hereby amended by inserting after the word "place", in line 200, the following clause:- (7) in
2881 the case of a business deriving receipts from operating a gaming establishment or otherwise
2882 deriving receipts from conducting a wagering business or activity, income-producing activity
2883 shall be considered to be performed in this commonwealth to the extent that the location of
2884 wagering transactions or activities that generated the receipts is in this commonwealth.

2885 SECTION 33. Section 2 of chapter 70 of the General Laws, as so appearing, is hereby
2886 amended by inserting after the word "Lottery", in line 355, the following words:- and Gaming.

2887 SECTION 34. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby
2888 amended by striking out, in line 99, the words "or dog".

2889 SECTION 35. Said section 2 of said chapter 128, as so appearing, is hereby further
2890 amended by striking out subsection (i).

2891 SECTION 36. Said subsection 2 of said chapter 128, as so appearing, is hereby further
2892 amended by striking out, in lines 152 and 153, the words "the provisions of paragraphs (b), (f),
2893 (g), and (i)" and inserting in place thereof the following words:- subsections (b), (f) and (g).

2894 SECTION 37. Section 1 of chapter 128A of the General Laws, as so appearing, is hereby
2895 amended by striking out, in line 6, the words "state racing commission" and inserting in place
2896 thereof the following words:- Massachusetts gaming commission established in chapter 23K.

2897 SECTION 38. Said chapter 128A is hereby repealed.

2898 SECTION 39. Section 1 of chapter 128C of the General Laws, as appearing in the 2008
2899 Official Edition, is hereby amended by striking out, in line 12, the words "state racing

2900 commission" and inserting in place thereof the following words:- Massachusetts gaming
2901 commission established in chapter 23K.

2902 SECTION 40. Said chapter 128C of the General Laws is hereby repealed.

2903 SECTION 41. Section 1 of chapter 137 of the General Laws, as appearing in the 2008
2904 Official Edition, is hereby amended by inserting after the word "gaming", in line 2, the following
2905 words:- , except for gaming conducted in licensed gaming establishments pursuant to chapter
2906 23K.

2907 SECTION 42. Section 2 of said chapter 137, as so appearing, is hereby amended by
2908 striking out, in line 2, the word "where" and inserting in place thereof the following words:- , but
2909 not including an owner or operator of a licensed gaming establishment pursuant to chapter 23K,
2910 where.

2911 SECTION 43. Section 3 of said chapter 137, as so appearing, is hereby amended by
2912 inserting after the word "betting,", in line 5, the following words:- ,but not including gaming
2913 conducted pursuant to chapter 23K.

2914 SECTION 44. Section 18 of chapter 139 of the General Laws, as so appearing, is hereby
2915 amended by inserting after the word "of", in line 6, the word:- illegal.

2916 SECTION 45. Section 177A of chapter 140 of the General Laws, as so appearing, is
2917 hereby amended by inserting after the word "machines", in line 12, the following words:- , but
2918 not including slot machines as defined in chapter 23K.

2919 SECTION 46. Section 26A of chapter 180 of the General Laws, as so appearing, is
2920 hereby amended by striking out, in lines 4 and 16, each time it appears, the words "or dog".

2921 SECTION 47. The General Laws are hereby amended by inserting after chapter 267 the
2922 following chapter:-

2923 Chapter 267A

2924 Money Laundering.

2925 Section 1. As used in this chapter, the following words shall, unless the context clearly
2926 requires otherwise have the following meanings:

2927 "Criminal activity", activity which constitutes a criminal offense punishable under the
2928 laws of the commonwealth by imprisonment in a state prison or a criminal offense committed in
2929 another jurisdiction punishable under the laws of that jurisdiction as a felony.

2930 "Financial institution", (1) a bank as defined in section 1 of chapter 167; (2) a national
2931 banking association, bank, savings and loan, savings bank, cooperative bank, building and loan
2932 or credit union organized under the laws of the United States; (3) a banking association, bank,
2933 savings and loan, savings bank, cooperative bank, building and loan or credit union organized
2934 under the laws of any state; (4) an agency, agent or branch of a foreign bank; (5) a currency
2935 dealer or exchange; (6) a person or business engaged primarily in the cashing of checks; (7) a
2936 person or business regularly engaged in the issuing, selling or redeeming of traveler's checks,
2937 money orders or similar instruments; (8) a broker or dealer in securities or commodities; (9) a
2938 licensed transmitter of funds or other person or business regularly engaged in the transmission of
2939 funds to a foreign nation for others; (10) an investment banker or investment company; (11) an
2940 insurer; (12) a dealer in precious metals, stones or jewels; (13) a pawnbroker or scrap metal
2941 dealer; (14) a telegraph or other communications company; (15) a personal property or real estate
2942 broker; (16) a dealer in vehicles including, but not limited to, automobiles, aircraft and vessels;

2943 (17) an operator of a betting or gaming establishment; (18) a travel agent; (19) a thrift institution,
2944 as defined by section 1 of chapter 167F; (20) an operator of a credit card system; or (21) a loan
2945 or finance company.

2946 “Monetary instrument”, the currency and coin of the United States or any foreign
2947 country; any bank check, money order, stock, investment security, or negotiable instrument in
2948 bearer form or otherwise in such form that title passes upon delivery; gold, silver or platinum
2949 bullion or coins; diamonds, emeralds, rubies or sapphires; any negotiable instrument including:
2950 bank checks, cashier's checks, traveler's checks, or monetary orders made payable to the order of
2951 a named party that have not been endorsed or which bear restrictive endorsements; poker chips,
2952 vouchers or other tokens exchangeable for cash by gaming entities; and credit cards, debit cards,
2953 gift cards, gift certificates or scrips.

2954 “Transaction”, a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition
2955 and, with respect to a financial institution, including, but not limited to, a deposit, withdrawal,
2956 bailment, transfer between accounts, exchange of currency, loan, extension of credit, purchase or
2957 sale of any stock, bond, certificate of deposit or other monetary instrument, use of a safe deposit
2958 box or any other payment, transfer or delivery by, through, or to a financial institution, by
2959 whatever means effected.

2960 Section 2. Whoever knowingly:

2961 (1) transports or possesses a monetary instrument or other property that was derived from
2962 criminal activity with the intent to promote, carry on or facilitate criminal activity;

2963 (2) engages in a transaction involving a monetary instrument or other property known to
2964 be derived from criminal activity:

2965 (i) with the intent to promote, carry on or facilitate criminal activity; or

2966 (ii) knowing that the transaction is designed in whole or in part either to: (A) conceal
2967 or disguise the nature, location, source, ownership or control of the property derived from
2968 criminal activity; or (B) avoid a transaction reporting requirement of this chapter, of the United
2969 States, or of any other state; or

2970 (3) directs, organizes, finances, plans, manages, supervises or controls the transportation
2971 of, or transactions in, monetary instruments or other property known to be derived from criminal
2972 activity or which a reasonable person would believe to be derived from criminal activity shall be
2973 guilty of the crime of money laundering and shall be punished by imprisonment in the state
2974 prison for not more than 6 years or by a fine of not more than $250,000 or twice the value of the
2975 property transacted, whichever is greater, or by both such imprisonment and fine. Whoever
2976 commits a second or subsequent such offense shall be punished by imprisonment in the state
2977 prison for not less than 2 years, but not more than 8 years or by a fine of not more than $500,000
2978 or 3 times the value of the property transacted, whichever is greater, or by both such
2979 imprisonment and fine.

2980 Section 3. (a) A financial institution shall file with the attorney general a copy of any and
2981 all reports required by the Currency and Foreign Transactions Act, set forth in 31 U.S.C.,
2982 sections 5311 through 5315, 31 C.F.R. 103.

2983 (b) A financial institution, or any officer, employee, or agent of a financial institution that
2984 maintains and files a record or report under this section shall not be liable to its customer, to a
2985 state or local agency, or to any person for any loss or damage caused in whole or in part by the
2986 making, filing or governmental use of the record or report, or any information contained in the

2987 record or report. Nothing in this chapter shall be construed to give rise to a private cause of
2988 action for relief or damages. This subsection shall not preclude a financial institution, in its
2989 discretion, from instituting contact with, and then communicating with and disclosing customer
2990 financial records to appropriate federal, state or local law enforcement agencies if the financial
2991 institution has reason to suspect that the records or information demonstrate that the customer
2992 has violated this chapter.

2993 (c) Any report, record or information obtained by the attorney general under this section
2994 shall not be a public record under clause Twenty-sixth of section 7 of chapter 4 or section 10 of
2995 chapter 66 and shall not be subject to disclosure, except to other state and federal law
2996 enforcement agencies.

2997 (d) Any violation of this section shall be punished by a fine of $100 for each report not
2998 filed.

2999 (e) The timely filing of complete and accurate reports required under subsection (a) with
3000 the appropriate federal agency shall constitute compliance with the requirements of subsection
3001 (a).

3002 Section 4. All monetary instruments or other property, real, intellectual or personal,
3003 obtained directly as a result of a violation of section 2, shall be subject to forfeiture to the
3004 commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),
3005 inclusive, of section 47 of chapter 94C. For the purposes of subsection (d) of said section 47 of
3006 said chapter 94C, the investigations and enforcement bureau of the Massachusetts gaming
3007 commission established in chapter 23K shall be considered a police department and shall be
3008 entitled to a police department's distribution of forfeiture proceedings.

3009 SECTION 48. Section 6 of chapter 268B of the General Laws, as appearing in section 95
3010 of chapter 28 of the acts of 2009, is hereby amended by adding the following paragraph:-

3011 For the purposes of this section, a person who holds a license issued by the Massachusetts
3012 gaming commission, who was required to apply for that license pursuant to section 14 of chapter
3013 23K, shall be considered a legislative agent.

3014 SECTION 49. Section 1 of chapter 271 of the General Laws, as appearing in the 2008
3015 Official Edition, is hereby amended by inserting after the word "gaming", in lines 3 and 4, the
3016 following words:- , except as permitted under chapter 23K.

3017 SECTION 50. Section 2 of said chapter 271, as so appearing, is hereby amended by
3018 striking out the words "in any", in line 14, and inserting in place thereof the following words:- ,
3019 except as permitted under chapter 23K, in any.

3020 SECTION 51. Section 3 of said chapter 271, as so appearing, is hereby amended by
3021 striking out, in line 1, the word "Every" and inserting in place thereof the following words:-
3022 Except as permitted under chapter 23K, every.

3023 SECTION 52. Section 5 of said chapter 271, as so appearing, is hereby amended by
3024 striking out, in line 1, the word "keeps", and inserting in place thereof the following words:- ,
3025 except as permitted under chapter 23K, keeps.

3026 SECTION 53. The second paragraph of section 5A of said chapter 271, as so appearing,
3027 is hereby amended by adding the following paragraph:-

3028 This section shall not apply to persons who manufacture, transport, sell, offer for sale,
3029 store, display, repair, recondition, possess or use any gambling device or parts for use in such a
3030 device for licensed gaming conducted under chapter 23K.

3031 SECTION 54. Section 6 of said chapter 271, as so appearing, is hereby amended by
3032 striking out, in lines 3 and 4, the words "gambling or unlawful game" and inserting in place
3033 thereof the words:- illegal gaming.

3034 SECTION 55. Section 7 of said chapter 271, as so appearing, is hereby amended by
3035 inserting after the word "device", in line 7, the first time it appears, the following words:- that is
3036 not taking place in a gaming establishment licensed pursuant to chapter 23K.

3037 SECTION 55A. Section 7A of chapter 271 of the General Laws, as appearing in the 2008
3038 Official Edition, is hereby amended, by inserting at line 36, after the word 'bazaar', the
3039 following: ', except that the sponsoring organization may retain, at a reasonable fee, non-
3040 members to assist in the operation of such raffle or bazaar, including providing paid dealers and
3041 game supervisors to insure that the rules of the game are properly administered and complied
3042 with, so long as only qualified members of the sponsoring organization handle the funds
3043 collected and disbursed at the raffle or bazaar.

3044 SECTION 56. Said chapter 271 is hereby further amended by striking out section 8, as
3045 so appearing, and inserting in place thereof the following section:

3046 Section 8. Whoever owns, occupies or is in control of a house, shop or building and
3047 knowingly permits the establishing, managing or drawing of a lottery, or the disposal or attempt
3048 to dispose of property, or the sale of a lottery ticket or share of a ticket, or any other writing,
3049 certificate, bill, token or other device purporting or intended to entitle the holder, bearer or any

3050 other person to a prize or to a share of or interest in a prize to be drawn in a lottery, or in the
3051 disposal of property, and whoever knowingly allows money or other property to be raffled for or
3052 won by throwing or using dice or by any other game of chance that is not being conducted in a
3053 gaming establishment licensed under chapter 23K, shall be punished by a fine of not more than
3054 $2,000 or by imprisonment in the house of correction for not more than 1 year.

3055 SECTION 57. Section 14 of said chapter 271, as so appearing, is hereby amended by
3056 inserting after the word "by", in line 3, the first time it appears, the following words:- illegal
3057 gaming, including games of.

3058 SECTION 58. Section 16A of said chapter 271, as so appearing, is hereby amended by
3059 inserting after the word "wagerers", in line 14, the following words:- or persons who organize,
3060 supervise, manage or finance persons for the purpose of legal gaming conducted under chapter
3061 23K.

3062 SECTION 59. Section 17 of said chapter 271, as so appearing, is hereby amended by
3063 adding the following sentence: - This section shall not apply to a person who organizes,
3064 supervises, manages or finances another person for the purpose of gaming conducted in
3065 accordance with chapter 23K.

3066 SECTION 60. Section 19 of said chapter 271, as so appearing, is hereby amended by
3067 inserting after the word "hazard", in line 16, the following sentence:- This section shall not apply
3068 to advertising of gaming conducted pursuant to chapter 23K.

3069 SECTION 61. Section 20 of said chapter 271, as so appearing, is hereby amended by
3070 adding the following sentence:- Nothing in this section shall prohibit a gaming establishment

3071 licensed under chapter 23K from posting, advertising or displaying materials relevant to its
3072 gaming operations.

3073 SECTION 62. Section 22 of said chapter 271, as so appearing, is hereby amended by
3074 inserting after the word " of", in line 6, the third time it appears, the following word:- illegal.

3075 SECTION 63. Section 23 of said chapter 271, as so appearing, is hereby amended by
3076 inserting after the word "for", in line 28, the following words:-; provided, however, that such
3077 provisions shall not apply to gaming conducted pursuant chapter 23K.

3078 SECTION 64. Section 28 of said chapter 271, as so appearing, is hereby amended by
3079 inserting after the word "of", in line 3, the third time it appears, the following word:- illegal.

3080 SECTION 65. Section 31 of said chapter 271, as so appearing, is hereby amended by
3081 inserting after the word "both", in line 8, the following sentence: - This section shall not apply to
3082 racing conducted pursuant to chapter 23K.

3083 SECTION 66. The General Laws are hereby amended by inserting after chapter 271 the
3084 following chapter:-

3085 Chapter 271A

3086 Enterprise Crime.

3087 Section 1. As used in this chapter, the following words shall, unless the context clearly
3088 requires otherwise, have the following meanings:

3089 "Criminal enterprise activity", the commission, attempt to commit or conspiracy to
3090 commit or the solicitation, coercion, aiding, abetting or intimidation of another to commit any of

3091 the following criminal activity under the laws of the commonwealth or equivalent crimes under
3092 the laws of any other jurisdiction: a violation of any criminal provision of chapter 23K; a felony
3093 offense under chapter 271; distributing, dispensing, manufacturing, or possession with intent to
3094 distribute, dispense or manufacture a controlled substance in violation of chapter 94C; murder;
3095 rape; manslaughter, not including motor vehicle homicide; assault; assault and battery; assault
3096 and battery in order to collect a loan; assault with intent to rob or murder; poisoning; mayhem;
3097 robbery; extortion; stalking; criminal harassment; kidnapping; arson; burglary; malicious
3098 destruction of property; commission of a felony for hire; breaking and entering; child
3099 exploitation; assault and battery on a child; rape of a child; rape and abuse of a child; enticement
3100 of a child under 16; human trafficking; violation of constitutional rights under section 37 of
3101 chapter 265; usury; uttering; misuse or fraudulent use of credit cards under section 37C of
3102 chapter 266; identity fraud; misappropriation of funds; gross fraud under section 76 of chapter
3103 276; insurance fraud; unlawful prize fighting or boxing matches; counterfeiting; perjury;
3104 subornation of perjury; obstruction of justice; money laundering; witness intimidation; bribery;
3105 electronic eavesdropping; prostitution under sections 2, 3, 4A, 4B, 6, 7, 12 and 13 of chapter
3106 272; receiving stolen property; larceny over $250; larceny by false pretenses or embezzlement;
3107 forgery; procurement fraud; false claims; tax evasion; filing false tax returns; or any conduct
3108 defined as a racketeering activity under Title 18, U.S.C. s. 1961(1)(A)(B) and (D).

3109 "Enterprise", an entity including any individual, sole proprietorship, partnership,
3110 corporation, association, trust or other legal entity and any unchartered union or group of persons
3111 associated in fact although not a legally recognized entity.

3112 "Gaming establishment", an establishment licensed under chapter 23K.

3113 “Pattern of criminal enterprise activity”, engaging in at least 3 incidents of criminal
3114 enterprise activity that have the same or similar pattern, intents, results, accomplices, victims or
3115 methods of commission, or are otherwise interrelated by distinguishing characteristics and are
3116 not isolated incidents; provided, however, that at least 1 of the incidents occurred after the
3117 effective date of this chapter, and the last incident occurred within 5 years of another incident of
3118 criminal enterprise activity.

3119 “Unlawful debt”, a debt which was incurred or contracted in an illegal gambling activity
3120 or business; or which is unenforceable under state or federal law, in whole or in part, as to
3121 principal or interest under the law relating to usury.

3122 Section 2. Whoever knowingly: (1) through a pattern of criminal enterprise activity or
3123 through the collection of an unlawful debt acquires or maintains, directly or indirectly, an interest
3124 in or control of an enterprise which is engaged in, or the activities of which affect, licensed
3125 gaming under chapter 23K or ancillary industries which do business with a gaming
3126 establishment; (2) having received proceeds derived, directly or indirectly, from a pattern of
3127 criminal enterprise activity or through the collection of an unlawful debt, uses or invests, directly
3128 or indirectly, part of the proceeds including proceeds derived from the investment, in the
3129 acquisition of an interest in real property to be used in connection with licensed gaming, or in the
3130 establishment or operation of, an enterprise which is engaged in, or the activities of which affect,
3131 licensed gaming operations or ancillary industries which do business with a gaming
3132 establishment; (3) is employed by or associated with an enterprise to conduct or participate,
3133 directly or indirectly, in the conduct of the enterprise's affairs or activities which affect licensed
3134 gaming operations or ancillary industries which do business with a gaming establishment by
3135 engaging in a pattern of criminal enterprise activity or through the collection of an unlawful debt;

3136 or (4) conspires or attempts to violate subsections (1), (2), or (3) of this section or attempts to so
3137 conspire; shall be guilty of enterprise crime and shall be punished by imprisonment in the state
3138 prison for not more than 15 years or by a fine of not more than $25,000, or by both such
3139 imprisonment and fine.

3140 Nothing in this chapter shall prohibit the purchase of securities on the open market for
3141 purposes of investment made without the intention of controlling or participating in the control
3142 of the issuer, or of assisting another to do so, if the securities of the issuer held by the: (i)
3143 purchaser; (ii) members of the purchaser's immediate family; or (iii) the purchaser's accomplices
3144 in any pattern of criminal activity for the collection of an unlawful debt after such purchase do
3145 not amount, in the aggregate, to 1 per cent of the outstanding securities of any 1 class and do not
3146 confer, either in law or in fact, the power to elect 1 or more directors of the issuer.

3147 Section 3. All monetary proceeds or other property, real, intellectual or personal, obtained
3148 directly as a result of a violation of this chapter, shall be subject to seizure and forfeiture to the
3149 commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),
3150 inclusive of section 47 of chapter 94C. For purposes of subsection (d) of said section 47 of said
3151 chapter 94C, the investigation and enforcement bureau of the Massachusetts gaming commission
3152 established under chapter 23K shall be considered a police department, entitled to a police
3153 department's distribution of forfeiture proceedings.

3154 SECTION 67. Section 39 of chapter 272 of the General Laws, as appearing in the 2008
3155 Official Edition, is hereby amended by inserting after the word "in", in line 7, the following
3156 word:- illegal.

3157 SECTION 68. The first paragraph of section 12A of chapter 494 of the acts of 1978 is
3158 hereby amended by striking out the words “and until January 31, 2012”, inserted by section 1 of
3159 chapter 77 of the acts of 2011, and inserting in place thereof the following words:- and until July
3160 31, 2014.

3161 SECTION 69. The last paragraph of said section 12A of said chapter 494 is hereby
3162 amended by striking out the words “January 31, 2012”, inserted by section 2 of said chapter 77,
3163 and inserting in place thereof the following words:- July 31, 2014.

3164 SECTION 70. The introductory paragraph of section 13 of said chapter 494 is hereby
3165 amended by striking out the words “and until January 31, 2012”, inserted by section 3 of said
3166 chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

3167 SECTION 71. Said section 13 of said chapter 494 is hereby further amended by striking
3168 out clause (c), as appearing in section 2 of chapter 114 of the acts of 1991.

3169 SECTION 72. Clause (d) of said section 13 of said chapter 494, as so appearing, is
3170 hereby amended by striking out, in line 21, the words “, (b) or (c)” and inserting in place thereof
3171 the following words:- or (b).

3172 SECTION 73. Said section 13 of said chapter 494 is hereby further amended by striking
3173 out subsection (f), as so appearing.

3174 SECTION 74. Section 15 of said chapter 494 is hereby amended by striking out the
3175 words “and until January 31, 2012”, inserted by section 4 of said chapter 77, and inserting in
3176 place thereof the following words:- and until July 31, 2014.

3177 SECTION 75. The first paragraph of section 9 of chapter 277 of the acts of 1986 is
3178 hereby amended by striking out the words “and until January 31, 2012”, inserted by section 5 of
3179 said chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

3180 SECTION 76. The first sentence of the first paragraph of section 3 of chapter 114 of the
3181 acts of 1991 is hereby amended by striking out the words “and until January 31, 2012”, inserted
3182 by section 6 of said chapter 77, and inserting in place thereof the following words:- and until July
3183 31, 2014.

3184 SECTION 77. The last paragraph of said section 3 of said chapter 114 is hereby
3185 amended by striking out the words “January 31, 2012”, inserted by section 7 of said chapter 77,
3186 and inserting in place thereof the following words:- July 31, 2014.

3187 SECTION 78. The first paragraph of section 4 of said chapter 114 is hereby amended by
3188 striking out the words “and until January 31, 2012”, inserted by section 8 of said chapter 77, and
3189 inserting in place thereof the following words:- and until July 31, 2014.

3190 SECTION 79. The last paragraph of said section 4 of said chapter 114 is hereby
3191 amended by striking out the words “January 31, 2012”, inserted by section 9 of said chapter 77,
3192 and inserting in place thereof the following words:- July 31, 2014.

3193 SECTION 80. The first paragraph of section 5 of said chapter 114 is hereby amended by
3194 striking out the words “and until January 31, 2012”, inserted by section 10 of said chapter 77,
3195 and inserting in place thereof the following words:- and until July 31, 2014.

3196 SECTION 81. Section 13 of chapter 101 of the acts of 1992 is hereby repealed.

3197 SECTION 82. Section 45 of chapter 139 of the acts of 2001 is hereby amended by
3198 striking out the words “January 31, 2012”, inserted by section 12 of said chapter 77, and
3199 inserting in place thereof the following words:- July 31, 2014.

3200 SECTION 83. Section 20 of chapter 449 of the acts of 2006 is hereby amended by
3201 striking out the words “January 31, 2012”, inserted by section 13 of said chapter 77, and
3202 inserting in place thereof the following words:- July 31, 2014.

3203 SECTION 84. (a) Notwithstanding section 5 of chapter 128A of the General Laws or any
3204 other general or special law or rule or regulation to the contrary, the greyhound meeting licensee
3205 located in Bristol county and the greyhound meeting licensee located in Suffolk county shall not
3206 be eligible for purse assistance pursuant to clause (6) of subsection (h) of said section 5.

3207 (b) Notwithstanding chapters 128A and l28C of the General Laws or any other general or
3208 special law or rule or regulation to the contrary, amounts from unclaimed winnings and breaks
3209 generated by the greyhound meeting licensee located in Bristol county and the greyhound
3210 meeting licensee located in Suffolk county shall be dedicated to the Racing Stabilization Fund
3211 established in subsection (a) of section 85.

3212 (c) Notwithstanding section 14 of chapter 77 of the acts of 2011 or any other general or
3213 special law, rule or regulation to the contrary, the greyhound meeting licensee located in Bristol
3214 county and the greyhound meeting licensee located in Suffolk county shall, unless otherwise
3215 provided in this act, be subject to chapter 128A and 128C of the General Laws and chapter 139
3216 of the acts of 2001.

3217 SECTION 85. (a) Notwithstanding any general or special law or rule or regulation to the
3218 contrary, there shall be a Racing Stabilization Fund that shall be administered by the

3219 Massachusetts Gaming Commission, hereinafter known as the commission, established pursuant
3220 to chapter 23K of the General Laws. The fund shall consist of all revenues dedicated pursuant to
3221 this act. Any balance in the fund at the end of the fiscal year shall not revert to the General
3222 Fund; provided, however, that the commission shall distribute to owners and lessees of
3223 greyhound dogs who have raced in calendar year 2009 for the humane care, maintenance and
3224 adoption of those greyhound dogs, a sum equal to 1 per cent of the total amount wagered at each
3225 racing meeting licensee within the commonwealth acting as a guest track and simulcasting a live
3226 greyhound race from a host track from outside the commonwealth provided, however, that
3227 before any such amount is distributed, the commission shall develop a method and criteria by
3228 which to distribute such funds in an equitable manner among dog owners. The commission shall
3229 distribute to kennel owners who housed greyhound dogs who have raced in calendar year 2009
3230 for the humane care, maintenance and adoption of those greyhound dogs, a sum equal to 1.5 per
3231 cent of the total amount wagered at each racing meeting licensee within the commonwealth
3232 acting as a guest track and simulcasting a live greyhound race from a host track from outside
3233 commonwealth; provided, however, that before any amount is distributed, the commission shall
3234 develop a method and criteria by which to distribute such funds in an equitable manner among
3235 kennel owners; and provided further, the commission shall begin payments to kennel owners in
3236 April 2012. Such payments shall be paid on a biweekly basis beginning on April 12, 2012.

3237 (b) Notwithstanding section 12A of chapter 494 of the acts of 1978 or any other general
3238 or special law or rule or regulation to the contrary, after July 31, 2011, the comptroller shall
3239 transfer all monies deposited in the Greyhound Capital Improvements Trust Fund and the
3240 Greyhound Promotional Trust Fund, each established under said section 12A of said chapter 494,
3241 to the Racing Stabilization Fund established in subsection (a). After July 31, 2011, the

3242 comptroller shall transfer any revenues deposited into the Greyhound Capital Improvements
3243 Trust Fund and the Greyhound Promotional Trust Fund into the Racing Stabilization Fund within
3244 10 days after receipt of those revenues.

3245 (c) Notwithstanding any general or special law to the contrary, the greyhound meeting
3246 licensee located in Bristol county and the greyhound meeting licensee located in Suffolk county
3247 shall report monthly to Massachusetts gaming commission established under chapter 23K of the
3248 General Laws on their net and gross revenue, including an itemization of premiums received,
3249 fees received and any amounts dedicated to purse accounts, the Greyhound Capital
3250 Improvements Trust Fund and the Greyhound Promotional Trust Fund. The report shall include
3251 the number of part-time and full-time staff employed by the licensees at the close of the previous
3252 month. The report shall also include the total amount of premiums paid to the harness horse
3253 meeting licensees located in Norfolk county and the running horse meeting licensee located in
3254 Suffolk county. Failure to file the report on the tenth day of each month shall be cause for
3255 suspension of the greyhound meeting license. The commission shall forward all such reports to
3256 the house and senate committees on ways and means, the joint committee on economic
3257 development and emerging technologies and the joint committee on labor and workforce
3258 development. The greyhound meeting licensee located in Bristol county and the greyhound
3259 meeting licensee located in Suffolk county shall also prepare a report of all funds received and
3260 disbursed for calendar years 2010 and 2011. The report shall also be filed with the commission
3261 not later than January 31, 2012, and the commission shall forward the reports to the house and
3262 senate committees on ways and means, the joint committee on economic development and
3263 emerging technologies and the joint committee on labor and workforce development.

3264 (d) Notwithstanding any general or special law, rule or regulation to the contrary, monies
3265 in the Racing Stabilization Fund established in subsection (a) may be used to assist efforts to
3266 secure alternative employment and retraining opportunities for displaced workers impacted by
3267 the enactment of chapter 388 of the acts of 2008 including, but not limited to, coordinating the
3268 delivery of available state and federal resources and services; provided, however, that such funds
3269 from the fund shall only be expended after all federal funds from the Workforce Investment Act
3270 and the American Reinvestment and Recovery Act have been exhausted; provided further, that
3271 state funds shall be distributed in accordance with subsection (a).

3272 (e) Notwithstanding any general or special law to the contrary, upon the effective date of
3273 this act, the comptroller shall transfer all monies from the Racing Stabilization Fund established
3274 pursuant to chapter 167 of the acts of 2009, as amended by section 14 of chapter 86 of the acts of
3275 2010, to the Racing Stabilization Fund established herein.

3276 SECTION 86. Notwithstanding any general or special law to the contrary, in making
3277 initial appointments to the Massachusetts gaming commission established in chapter 23K of the
3278 General Laws, of the members to be appointed by majority agreement of the governor, the
3279 attorney general and the treasurer and receiver general, 1 commissioner shall be appointed for a
3280 term of 3 years and 1 shall be appointed for a term of 4 years. The commissioner to be appointed
3281 by the treasurer and receiver general shall serve for a term of 5 years, the commissioner to be
3282 appointed by the attorney general shall serve for a term of 6 years and the commissioner
3283 appointed by the governor shall serve for a term of 7 years. Commissioners shall be appointed
3284 within 90 days of the effective date of this act; provided, however, that no person shall be
3285 allowed to serve on the commission prior to the completion of a background investigation
3286 pursuant to section 3 of chapter 23K of the General Laws.

3287 SECTION 87. The chair of the Massachusetts gaming commission shall consider current
3288 employees of the state racing commission as eligible for employment with the commission and
3289 shall, subject to all other requirements and conditions of employment under chapter 23K of the
3290 General Laws, give preference to such individuals when making such employment decisions.

3291 SECTION 88. A gaming licensee awarded a gaming license under chapter 23K of the
3292 General Laws shall show preference in hiring to qualified persons permanently employed as of
3293 June 1, 2010 at a facility authorized to conduct simulcasting under chapter 128C of the General
3294 Laws that was in operation on June 1, 2010 within the region for which the gaming license was
3295 granted if that facility terminates operation within 1 year of the Massachusetts gaming
3296 commission awarding the gaming license, subject to all other requirements and conditions of
3297 employment under said chapter 23K; provided, however, that a facility authorized to conduct
3298 simulcasting shall provide employment data on the number, names and addresses of employees
3299 in permanent employment with that facility as of June 1, 2010 to the commission to assist the
3300 gaming licensee in meeting this obligation.

3301 SECTION 89. (a) Notwithstanding any general or special law or rule or regulation to the
3302 contrary, the governor may enter into a compact with a federally recognized Indian tribe in the
3303 commonwealth.

3304 (b) The Massachusetts gaming commission shall, upon request of the governor, provide
3305 assistance to the governor in negotiating such compact.

3306 (c) The governor shall only enter into negotiations under this section with a tribe that has
3307 purchased, or entered into an agreement to purchase, a parcel of land for the proposed tribal

3308 gaming development and scheduled a vote in the host communities for approval of the proposed
3309 tribal gaming development.

3310 (d) A compact negotiated and agreed to by the governor and tribe shall be submitted to
3311 the general court for approval.

3312 (e) Notwithstanding any general or special law or rule or regulation to the contrary, if a
3313 mutually agreed-upon compact has not been negotiated by the governor and Indian tribe or if
3314 such compact has not been approved by the general court before July 31, 2012, the commission
3315 shall issue a request for applications for a category 1 license in Region C pursuant to chapter
3316 23K of the General Laws not later than October 31, 2012; provided, however, that if, at any time
3317 on or after August 1, 2012, the commission determines that the tribe will not have land placed
3318 into trust for their benefit due to a decision by the Secretary of the Department of the Interior or a
3319 court of competent jurisdiction, the commission shall consider bids for a category 1 license in
3320 Region C under said chapter 23K. The commission shall prepare quarterly reports on the status
3321 of a federally recognized tribe's application with the Bureau of Indian Affairs to approve any
3322 negotiated compact or place land into trust for the purposes of conducting Indian gaming
3323 pursuant to the Indian Gaming Regulatory Act. The commission shall file such reports with the
3324 clerks of the house and senate and the chairs of the joint committee on economic development
3325 and emerging technologies.

3326 SECTION 90. Notwithstanding section 2 of chapter 128A of the General Laws and
3327 sections 1, 2 and 2A of chapter 128C of the General Laws or any other general or special law,
3328 rule or regulation to the contrary, the greyhound meeting licensee located in Bristol county and
3329 the greyhound meeting licensee located in Suffolk county licensed to conduct live racing

3330 pursuant to said chapter 128A and simulcast wagering pursuant to said chapter 128C in calendar
3331 year 2011, shall remain licensed as greyhound racing meeting licensees until July 31, 2014;
3332 provided, however, that the days between January 1 and July 31 of each year shall be dark days
3333 pursuant to said chapter 128C and the licensees shall continue to be precluded from conducting
3334 live racing during that period and as provided in chapter 388 of the acts of 2008; provided
3335 further, that all simulcasts shall comply with the Interstate Horse Racing Act of 1978, 15 U.S.C.
3336 Sec. 3001 et seq. or other applicable federal law; provided further, that all simulcasts from states
3337 which have racing associations that do not require approval in compliance with the Interstate
3338 Horse Racing Act of 1978, 15 U.S.C. Sec. 3004 (a) (1) (A), except simulcasts during the month
3339 of August, shall require the approval of the New England Horsemen's Benevolent and Protective
3340 Association prior to being simulcast to a racing meeting licensee within the commonwealth; and
3341 provided further, that if the association agrees to approve the simulcast for 1 racing meeting
3342 licensee, it shall approve the simulcast for all otherwise eligible racing meeting licensees.

3343 SECTION 91. (a) There shall be established and set up on the books of the
3344 commonwealth a Gaming Licensing Fund which shall receive all licensing fees collected from
3345 applicants in receipt of a category 1 or category 2 license under chapter 23K of the General
3346 Laws. The fund shall expire on December 31, 2015. The commission shall be the trustee of the
3347 fund and shall transfer monies in the fund as follows:

3348 (1) 5 per cent to the Race Horse Development Fund established in section 60 of
3349 chapter 23K of the General Laws.

3350 (2) 10 per cent to the Community Mitigation Fund established in section 61 of
3351 chapter 23K of the General Laws.

3352 (3) 14.5 per cent to the Transportation Infrastructure and Development Fund
3353 established in section 62 of chapter 23K of the General Laws.

3354 (4) 1.5 per cent to the Tourism Fund established in section 35J of chapter 10 of the
3355 General Laws.

3356 (5) 5 per cent shall be remitted to the comptroller for deposit into the Local Aid
3357 Stabilization Fund, established in section 2CCCC of chapter 29 of the General Laws;

3358 (6) 9 per cent to the Local Capital Projects Fund established in section 2EEEE of
3359 chapter 29 of the General Laws.

3360 (7) 13 per cent to the Manufacturing Fund established in section 96.

3361 (8) 17 per cent to the Community College Fund established in section 97.

3362 (9) 23 per cent to the Healthcare Payment Reform Fund established in section 99.

3363 (10) 2 per cent to the Community Preservation Fund.

3364 (b) Upon receipt by the Massachusetts gaming commission of license fees from
3365 licensees, interim transfers and payments shall be made on a pro rata basis from the Gaming
3366 Licensing Fund as provided in clauses (1) and (2) of subsection (a); provided, however, that no
3367 transfer or payment under said clauses (1) and (2) of said subsection (a) shall occur until the fund
3368 reimburses $20,000,000 to the Commonwealth Stabilization Fund as required by subsection (c)
3369 of section 92 of this act.

3370 SECTION 92. (a) Within 30 days after the effective date of this act, the comptroller shall
3371 transfer $15,000,000 from the Commonwealth Stabilization Fund established in section 2H of

3372 chapter 29 of the General Laws to the Massachusetts gaming commission for the start-up and
3373 operational costs of implementing chapter 23K of the General Laws.

3374 (b) Within 10 days after the effective date of this act, the comptroller shall transfer
3375 $5,000,000, from the Commonwealth Stabilization Fund established in section 2H of chapter 29
3376 of the General Laws to the General Fund.

3377 (c) Upon receipt by the Massachusetts gaming commission of sufficient license fees from
3378 licensees under chapter 23K of the General Laws, the commission shall transfer $20,000,000 to
3379 the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General
3380 Laws.

3381 SECTION 93. Notwithstanding any general or special law to the contrary, in the second
3382 fiscal year in which a deposit is made into the Gaming Local Aid Fund under clause (e) of
3383 paragraph (2) of section 59 of chapter 23K the General Laws, the commission shall transfer from
3384 the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 3.125 per
3385 cent of the gross gaming revenue received from a category 1 establishment. In the third fiscal
3386 year in which a deposit is made into the Gaming Local Aid Fund under said clause (e) of said
3387 paragraph (2) of said section 59 of said chapter 23K, the commission shall transfer from the
3388 Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 6.25 per cent
3389 of the gross gaming revenue received from a category 1 establishment. In the fourth fiscal year
3390 in which a deposit is made into the Gaming Local Aid Fund under said clause (e) of said
3391 paragraph (2) of said section 59 of said chapter 23K, the commissioner shall transfer from
3392 Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 9.375 per cent
3393 of the gross gaming revenue received from a category 1 establishment. In the fifth fiscal year in

3394 which a deposit is made into the Gaming Local Aid Fund under said clause (e) of said paragraph
3395 (2) of said section 59 of said chapter 23K and in all subsequent fiscal years, the commission shall
3396 transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal
3397 to 12.5 per cent of the gross gaming revenue received from a category 1 establishment.

3398 SECTION 94. The governing body of a host community which has accepted chapter 43D
3399 of the General Laws shall file a proposal with the interagency permitting board to designate the
3400 site proposed for a category 1 establishment as a priority development site. In a community
3401 which has not accepted said chapter 43D, the planning board shall designate a local permitting
3402 ombudsman, who shall be a planning board member of the host community or a member of the
3403 host community planning board's professional staff, to help coordinate and expedite local
3404 permitting of the category 1 establishment.

3405 SECTION 95. Notwithstanding any general or special law or rule or regulation to the
3406 contrary, a gaming establishment shall supply the Massachusetts gaming commission, hereinafter
3407 the commission, with customer tracking data collected or generated by loyalty programs, player
3408 tracking software, player card systems, online gambling transactions or any other information
3409 system. The commission shall contract with an experienced nonprofit research entity to develop
3410 an anonymizing system that automatically removes from the data: (a) personally identifying
3411 information, including player name, street address, bank or credit information and the last 4
3412 digits of a player's zip code, in compliance with section 2 of chapter 93H of the General Laws;
3413 and (b) game identifying information, including game name and device manufacturing company,
3414 in protection of corporate intellectual property. The data shall retain information on player
3415 characteristics including, but not limited to, gender, age and region of residence, player behavior
3416 including, but not limited to, frequency of play, length of play, speed of play, denomination of

3417 play, amounts wagered and, if applicable, number of lines or hands played and characteristics of
3418 games played including, but not limited to, reel configuration, return-to-player or RTP, volatility
3419 index and denomination. The commission shall convey the anonymized data to a research
3420 facility which shall make the data available to qualified researchers for the purposes of: (1)
3421 conducting analyses that improve understanding of how gambling addiction develops and
3422 progresses; (2) developing evidence-based harm minimization strategies; and (3) developing
3423 evidence-based systems to monitor, detect and intervene in high-risk gambling. The commission
3424 shall request reports on researcher analyses of the behavioral data, which could provided
3425 informed recommendation to the general court relative to more effective regulation of gambling
3426 operations. The commission may directly initiate studies assessing the effectiveness of any
3427 specific measures, programs or interventions which the commonwealth has implemented in
3428 gaming operations and which might be illuminated through the behavioral data in question.

3429 SECTION 96. There shall be established and set up on the books of the commonwealth a
3430 Manufacturing Fund. The fund shall be credited with any monies transferred under section 91
3431 and any monies credited or transferred to the fund from any other fund or source and shall be
3432 subject to appropriation.

3433 SECTION 97. There shall be established and set up on the books of the commonwealth a
3434 Community College Fund. The fund shall be credited with any monies transferred under section
3435 91 and any monies credited or transferred to the fund from any other fund or source and shall be
3436 subject to appropriation.

3437 SECTION 98. There shall be established and set up on the books of the commonwealth a
3438 Healthcare Payment Reform Fund. The fund shall be credited with any monies transferred under

3439 section 91 and any monies credited or transferred to the fund from any other fund or source and
3440 shall be subject to appropriation.

3441 SECTION 99. Pursuant to section 2 of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171-1177,
3442 entitled "An act to prohibit transportation of gaming devices in interstate and foreign
3443 commerce", approved January 2, 1951, the commonwealth, acting by and through its duly
3444 elected and qualified members of the general court, hereby declares and proclaims that it shall be
3445 exempt from the provisions of chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C. 117
3446 -1178 for any gambling device authorized for use and transport under chapter 23K of the General
3447 Laws and any regulations promulgated thereunder.

3448 SECTION 100. Notwithstanding any general or special law to the contrary, all shipments
3449 of gambling devices into the commonwealth, including slot machines, the registering, recording
3450 and labeling of which has been duly had by the manufacturer or dealer thereof in accordance
3451 with sections 3 and 4 of "An act to prohibit transportation of gambling devices in interstate and
3452 foreign commerce,", 15 USC §§ 1171-1177, shall be deemed legal shipments thereof into the
3453 commonwealth.

3454 SECTION 101. Notwithstanding any general or special law to the contrary, the
3455 Massachusetts gaming commission shall analyze the laws relating to charitable gaming, raffles
3456 and bazaars in effect on the effective date of this act, including section 7A of chapter 271. The
3457 analysis shall include a review of the efficacy of those laws and the need to update, redraft or
3458 repeal said laws. The commission shall report its findings and recommendations, together with
3459 drafts of legislation necessary to carry those recommendations into effect, by filing the same
3460 with the clerks of the senate and house of representatives and with the house and senate chairs of

3461 the joint committee on economic development and emerging technologies not later than April 1,
3462 2012.

3463 SECTION 102. Notwithstanding any general or special law to the contrary, the
3464 Massachusetts gaming commission, established by chapter 23K of the General Laws, shall
3465 analyze the pari-mutuel and simulcasting laws in effect on the effective date of this act. The
3466 analysis shall include a review of the efficacy of those laws and the need to replace those laws
3467 pursuant to the continuation of chapters 128A and 128C of the General Laws in this act. The
3468 analysis shall not address whether to increase the number of running horse, harness horse or
3469 greyhound racing meeting licensees in the commonwealth. The commission shall report its
3470 findings and recommendations, together with drafts of legislation necessary to carry those
3471 recommendations into effect, by filing the same with the clerks of the senate and house of
3472 representatives and with the house and senate chairs of the joint committee on economic
3473 development and emerging technologies not later than January 1, 2013.

3474 SECTION 103. The first report required under section 71 of chapter 23K shall be
3475 submitted not later than 2 years after the effective date of this act.

3476 SECTION 103A. Sections 4, 11, 12, 13, 37, 39 and section 7 of chapter 23K shall take
3477 effect 180 days after the effective date of this act.

3478 SECTION 104. Clause 41 of section 4 of chapter 23K shall take effect on July 31, 2012.

3479 SECTION 105. Section 17 shall take effect on July 31, 2014.

3480 SECTION 106. Section 31 shall be effective for tax years beginning January 1, 2012.

3481 SECTION 107. Section 32 shall take effect on December 31, 2018.

3482 SECTION 108. Sections 38 and 40 shall take effect on July 31, 2014.

3483 SECTION 109. Subsection (a) of Section 85 shall take effect April 1, 2012.

3484 SECTION 110. The Massachusetts gaming commission shall, in consultation with the
3485 state lottery commission, establish a committee to analyze and develop recommendations and
3486 model legislation with respect to the issuance and implementation of internet poker licenses. The
3487 committee, in addition to members of the Massachusetts gaming commission and the state lottery
3488 commission, shall include: 2 members appointed by the speaker of the house; 1 member
3489 appointed by the minority leader of the house; 2 members appointed by the senate president; and
3490 1 member appointed by the minority leader of the senate; provided, however, that the
3491 recommendations and model legislation shall include an analysis of applicable federal and state
3492 law. The committee shall report its findings and recommendations, together with drafts of
3493 legislation necessary to carry those recommendations into effect, by filing the same with the
3494 clerks of the senate and house of representatives and with the house and senate chairs of the joint
3495 committee on economic development and emerging technologies not later than July 31, 2012.

3496 SECTION 111. Notwithstanding any general or special law, rule or regulation to the
3497 contrary for the purposes of chapter 62, gross revenue or gross gaming revenue as defined in
3498 chapter 23K of the General Laws shall be considered budgeted fund state tax revenue, regardless
3499 of the type of fund into which the revenues are deposited; provided, however, that monies
3500 received by the commonwealth as the result of a revenue sharing agreement between the
3501 commonwealth and a federally recognized tribe set forth in a negotiated compact shall not be
3502 considered budgeted fund state tax revenue.

3503 SECTION 112. The commissioner of revenue, in consultation with the commissioner of
3504 education, and the treasurer and receiver general of the commonwealth shall report to the general
3505 court on the following matters: 1) the primary sources of current and recent funding for each
3506 major program of state assistance to the cities, towns, and school districts of the commonwealth;
3507 including, but not limited to lottery aid, unrestricted general government assistance, PILOT
3508 payments for state owned land, and major aid programs in support of local education and
3509 transportation. Where feasible, those amounts and sources of funding shall be disaggregated by
3510 city and town, 2) the net dollar relationship between distributions to cities, towns, and school
3511 districts under each of the programs reviewed and the primary sources of funding that support
3512 them, 3) the prospective cost and feasibility of establishing equitable minimum and maximum
3513 distribution targets based on criteria including, but not limited to, population, real estate values,
3514 mean income level of the municipality as compared to the state mean income level and poverty
3515 levels based on relative criteria including, but not limited to, students qualifying for free and
3516 reduced lunch programs and mean age levels of residents for each program based on the
3517 disaggregated source of funding for each program; and 4) any potential alternative sources of
3518 funding to establish such equitable minimum target aid levels; including the Gaming Local Aid
3519 Fund and the Local Aid Stabilization Fund, created under the provisions of this Act. Said report
3520 shall be filed by the commissioner of revenue with the clerks of the house and senate by July 31,
3521 2012.

3522 Prior to any distribution of gaming revenues from the Gaming Local Aid Fund and the
3523 Local Aid Stabilization Fund, the legislature shall review the report and adopt an equitable
3524 distribution program for the Gaming Local Aid Fund and Local Aid Stabilization Fund.